

CASE 7337: BEARTOOTH OIL & GAS COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO

any

Case No.

7337

Application

Transcripts.

Small Exhibits

ETC



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

October 1, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7337
ORDER NO. R-6779

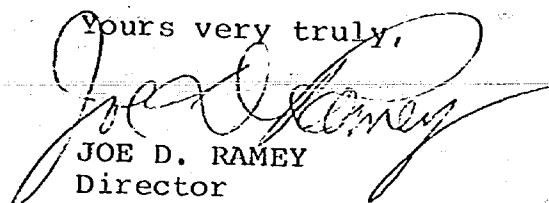
Applicant:

Beartooth Oil & Gas Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7337
Order No. R-6779

APPLICATION OF BEARTOOTH OIL &
GAS COMPANY FOR DOWNHOLE COMMINGLING
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 26, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of September, 1981, the Division
Director, having considered the testimony, the record, and the recommenda-
tions of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Beartooth Oil & Gas Company, is the
owner and operator of the Minal Federal Well No. 1, located in Unit E
of Section 7, Township 25 North, Range 3 West, NEM, Rio Arriba County,
New Mexico.

(3) That the applicant seeks authority to commingle Ojito Gallup-
Dakota and Blanco Mesaverde production within the wellbore of the
above-described well.

(4) That from the Ojito Gallup-Dakota zone, the subject well is
capable of low marginal production only.

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

(6) 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.

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

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CASE NO. 7337
Order No. R-6779

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

(10) That the applicant further seeks the establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West.

(11) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Beartooth Oil & Gas Company, is hereby authorized to commingle Ojito Gallup-Dakota and Blanco Mesaverde production within the wellbore of the Minel Federal Well No. 1, located in Unit E of Section 7, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production in each zone in the subject well.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

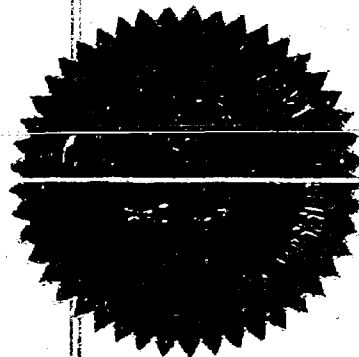
(4) That the Division Director is hereby authorized to administratively approve the downhole commingling of Gallup-Dakota and Mesaverde production in applicant's wells within the W/2 of Sections 6 and 7, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico upon application and a proper showing:

-3-

CASE NO. 7337
Order No. R-6779

- (a) that the lowermost pressure of the two zones is not less than 50% of the highest;
 - (b) of evidence establishing the ratio of production to be assigned to each zone; and
 - (c) of the potential and projected flow rates for each zone.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
26 August 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Beartooth Oil & Gas
Company for downhole commingling,
Rio Arriba County, New Mexico.

CASE
7337

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

A. R. KENDRICK

Direct Examination by Mr. Carr

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Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Recap

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Applicant Exhibit Three, Plat

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MR. STAMETS: Call next Case 7337.

MR. PEARCE: Application of Beartooth
Oil and Gas Company for downhole commingling, Rio Arriba
County, New Mexico.

MR. CARR: May it please the Examiner,
my name is William F. Carr, with the law firm Campbell, Byrd,
and Black, P. A., of Santa Fe, New Mexico, appearing on behalf
of the applicant.

I'd request that the record show that
Mr. Kendrick has been previously qualified and is under oath.

MR. STAMETS: And sworn, yes, the record
will so show.

A. R. KENDRICK

being called as a witness and having been previously sworn
upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q. Mr. Kendrick, are you familiar with the
application of Beartooth in this case?

A. Yes, sir.

Q. Are you also familiar with the subject
area?

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A. Yes, sir.

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Q. Will you briefly state what Beartooth

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Oil and Gas seeks with this application?

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A. Beartooth Oil and Gas seeks to downhole

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commingle the Mesaverde with the Ojito Gallup-Dakota formations

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for a downhole commingled well, being the Minel Federal No. 1

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Well, and to have administrative procedure established to

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downhole commingle other wells similarly in Sections -- excuse

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me, in the west half of Sections 6 and 7 of Township 25 North,

11

Range 3 West, Rio Arriba County, New Mexico.

12

Q. Will you please refer to what has been

13

marked as Beartooth Exhibit Number One, identify this and ex-

14

plain to Mr. Stamets what it shows?

15

A. Exhibit One is a four-township plat of

16

the area, wherein the southeasternmost township is Township

17

25 North, Range 3 West.

18

On this exhibit it shows the outlines

19

of the Ojito Gallup-Dakota Oil Pool and the West Lindrith

20

Gallup-Dakota Oil Pool. It shows four wells in the Ojito

21

Gallup-Dakota Oil Pool which have received permission for

22

downhole commingling of the Gallup-Dakota and the Mesaverde

23

formations by Commission Order R-5500.

24

It also shows the acreage in a shaded

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portion which would be that we would like administrative

1
2 procedure to cover and it shows the location of the Minel
3 Federal No. 1 Well.

4 Q Have other wells in the area recently
5 received approval to downhole commingle Gallup-Dakota Mesaverde
6 production?

7 A Yes. Recently a well in the northwest
8 quarter of Section 20, Township 25 North, Range 3 West was
9 approved for the Elliott Oil Company.

10 MR. CARR: May the record reflect that
11 that was Case 7314? The Order No. was R-6757, and that order
12 was entered on August 17, 1981.

13 Q Mr. Kendrick, will you now refer to your
14 Exhibit Number Two and explain to Mr. Stamets what this shows?

15 A Exhibit Number Two is a recap of the
16 tests performed by Beartooth in the months of April, May,
17 June, and July, for the Gallup-Dakota completion of the Minel
18 Federal No. 1, which shows that the well has depleted down
19 to an average of just under 12 barrels of oil per day from the
20 oil zone in that well, being the Gallup-Dakota completion.
21 That's the reason it's their desire to add the Mesaverde
22 interval to this to secure enough gas to cause the well to
23 flow at a better rate.

24 Q This exhibit shows that the Gallup-Dakota
25 is capable of only marginal production.

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2

A. That is correct.

3

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Q. Do you have anything to indicate that the Mesaverde is also capable of only marginal production?

5

6

A. No, sir, it has not yet been tested in this wellbore.

7

8

Q. Have you examined logs or any other data on the zone in the general area?

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10

A. Yes.

Q. And how would you characterize the zone that you'll be perforating in the Mesaverde?

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A. I find very few feet of indicated formation, or pay zone in the Mesaverde formation on the log of the Minel Federal No. 1.

15

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Q. Has the Mesaverde been only capable of marginal production in other wells in the area?

17

18

19

A. Yes. There are some wells that are good wells and some that are bad wells. The next exhibit will show that this is near the edge of the Blanco Mesaverde Pool.

20

21

Q. Will you then refer to that exhibit, which is Exhibit Three, and review the data contained thereon?

22

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A. Exhibit Three shows some identified townships, or portions of six townships. It shows the outline of the Blanco Mesaverde Pool. It shows the Minel Federal No. 1 Well, and the shaded area is the area in Sections 6 and 7

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2 that we would like administrative approval for downhole com-
3 mingling with the Gallup-Dakota.

4 It also shows the four wells which have
5 approval for the Getty Oil Company, which were shown on Ex-
6 hibit One.

7 Q Is the ownership of all zones in the
8 subject well and in the west half of both sections 6 and 7
9 common, including royalty interest?

10 A Yes, for all of the three depths.

11 Q Will these zones be flowing or artifi-
12 cially lifted?

13 A They'll be flowing.

14 Q In your opinion would the proposed com-
15 pletion result in migration between zones?

16 A No, sir.

17 Q How do you propose to allocate the pro-
18 duction between the commingled zones?

19 A Since we have no test on the shallow
20 zone, we would prefer to deal with the supervisor in the
21 Aztec Office at such time as the test is completed after the
22 wells are downhole commingled.

23 Q Do you anticipate that the well will
24 produce any fluid or any liquid?

25 A Yes, the well will produce liquids be-

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2 cause it is currently producing liquids.

3 Q And would you anticipate these liquids
4 to be compatible?

5 A Yes, these are all cretaceous completions
6 and the cretaceous zones in the San Juan Basin produce com-
7 patible liquids.

8 Q In your opinion will granting the appli-
9 cation result in the recovery of hydrocarbons that otherwise
10 would not be recovered?

11 A Yes.

12 Q And in your opinion will granting this
13 application be in the best interest of conservation, prevention
14 of waste, and the protection of correlative rights?

15 A Yes.

16 MR. CARR: Mr. Examiner, we have also
17 attached to the exhibits a copy of Order R-5500 approving
18 the similar downhole commingling in the Ojito-Gallup-Dakota
19 Oil Pool, and at this time we would offer Applicant's Exhibits
20 One through Three into evidence.

21 MR. STAMETS: These exhibits will be
22 admitted.

23 MR. CARR: I have nothing further of Mr.
24 Kendrick on direct.
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CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Kendrick, do you have any evidence which would indicate that the pressures in the Gallup-Dakota and pressures which might be expected in the Mesaverde will be compatible and within the limits generally utilized by the Division in downhole commingling?

A I have no pressure data on these particular wells. We might ask that the Examiner take administrative notice of the transcript in Case 5987, which resulted in Order 5500, which would relate to those four wells nearby that were downhole commingled for the Getty Oil Company.

Q I note that's about four years ago. I don't know if that's sufficient time for any significant change or not.

Do you have any pressure data on -- on the Minel Federal Well for the Gallup-Dakota?

A No.

Q Would that be fairly easy to get and submit?

A It will be easy to attempt. I don't know whether they have the information or not. If I can obtain it, I'll submit it to you.

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2 Q Okay, I would like to see some indica-
3 tion that the pressure would be within that variation of two
4 times which we accept.

5 A All right.

6 Q And that can be from any -- any recent
7 pressure tests on the well or projections of those, or what-
8 ever else you might be able to find on that.

9 A We'll be glad to supply those if we can
10 obtain them.

11 Q Okay.

12 MR. STAMETS: Anything further in this
13 case? Any other questions of this witness? He may be ex-
14 cused.

15 Anything further in this case?

16 The case will be taken under advisement.

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18 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7337
heard by me on 8-28 1988.
Richard L. Starn Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

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On this exhibit it shows the outlines of the Ojito Gallup-Dakota Oil Pool and the West Lindrith Gallup-Dakota Oil Pool. It shows four wells in the Ojito Gallup-Dakota Oil Pool which have received permission for downhole commingling of the Gallup-Dakota and the Mesaverde formations by Commission Order R-5500.

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It also shows the acreage in a shaded portion which would be that we would like administrative

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24 Kendrick on direct.

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Q Okay, I would like to see some indication that the pressure would be within that variation of two times which we accept.

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Q And that can be from any -- any recent pressure tests on the well or projections of those, or whatever else you might be able to find on that.

A We'll be glad to supply those if we can obtain them.

Q Okay.

MR. STAMETS: Anything further in this case? Any other questions of this witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

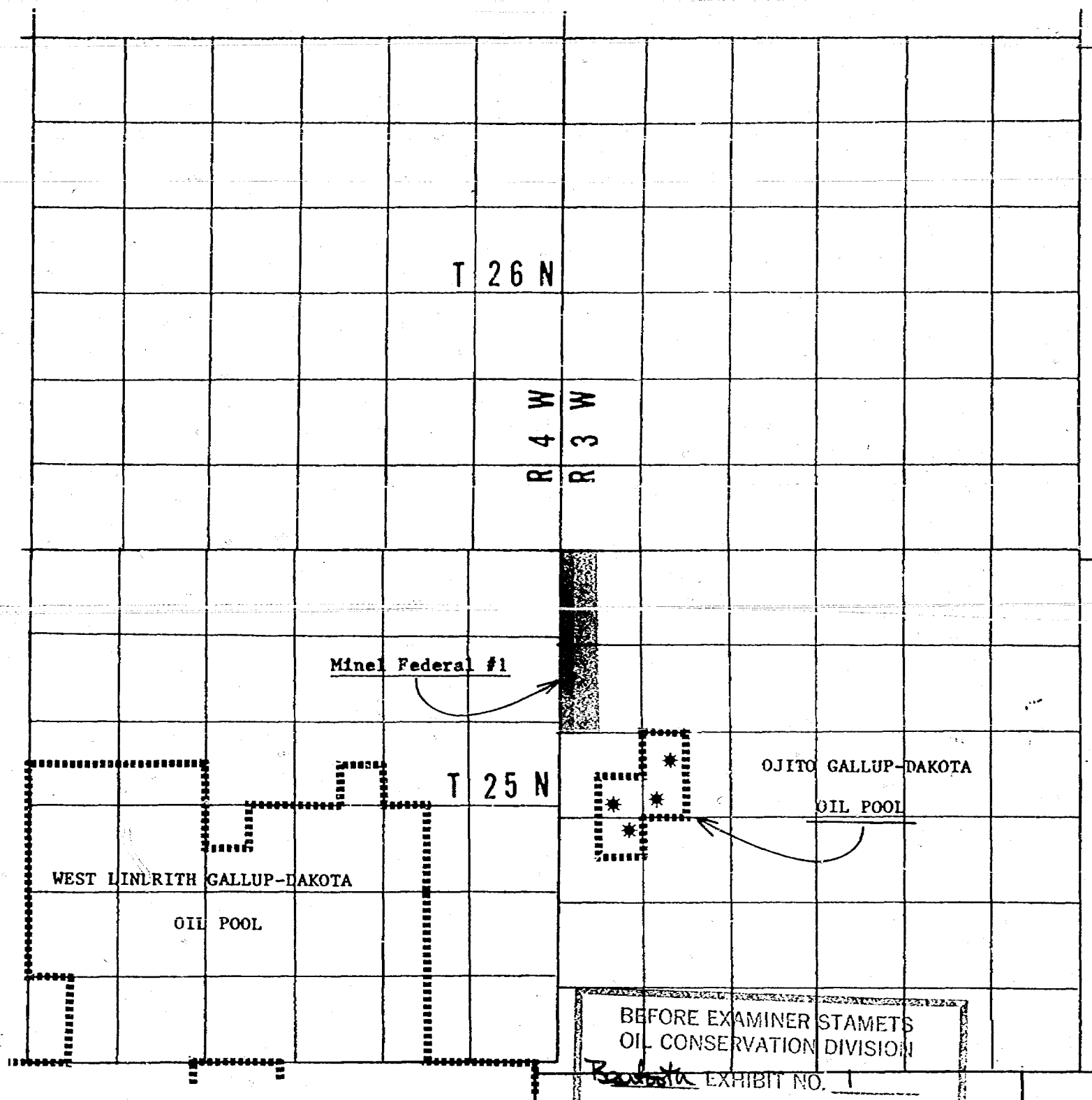
I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
Exhibit NO.	1
CASE NO.	7337
Submitted by	Kendrick
Hearing Date	8/24/81

SUMMARY OF PRODUCTION

MINEL FEDERAL NO. 1

GALLUP - DAKOTA PRODUCTION DATA

April 1981

avg. 44 BO, 3 days
14.7 BOPD
62.6 BWPD
60 MCFPD

May 1981

avg. 609 BO, 30 days
20.3 BOPD
50 BWPD
25-75 MCFPD

June 1981

avg. 361 BO, 27 days
13.37 BOPD
25 BWPD
60-70 MCFPD

July 1981

avg. 370 BO, 29 days
11.9 BOPD
25 BWPD
70-100 MCFPD

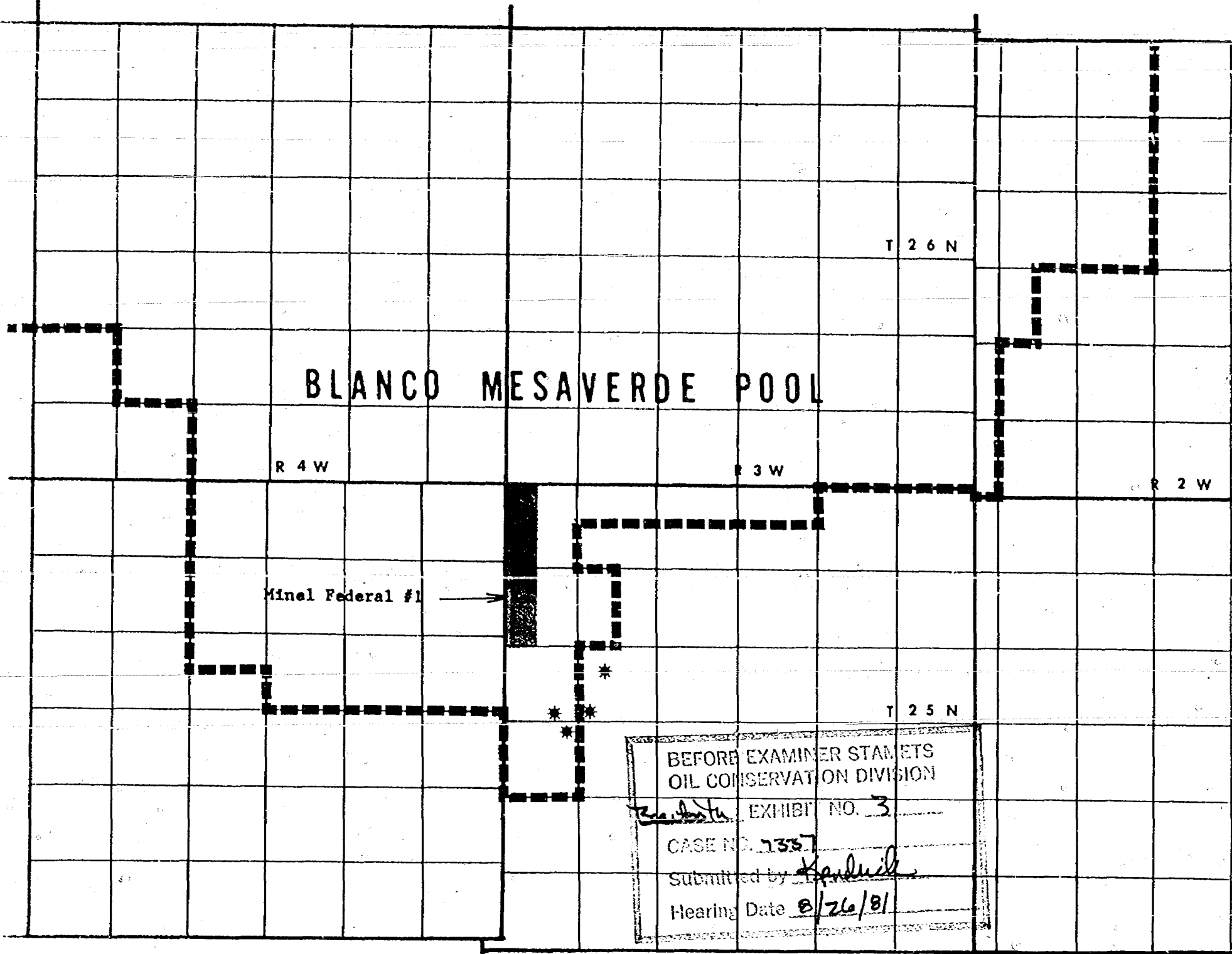
BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Exhibit EXHIBIT NO. 2

CASE NO. 7337

Submitted by Kendrick

Hearing Date 8/26/81



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. 5987
Order No. R-5500

APPLICATION OF GETTY OIL
COMPANY FOR DOWNHOLE COMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of August, 1977, 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, Getty Oil Company, is the owner
and operator of the C. W. Roberts Well No. 5, located in
Unit F of Section 17, Township 25 North, Range 3 West, NMPM,
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to comingle
Mesaverde, Gallup, and Dakota production within the wellbore
of the above-described well.

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

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

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

-2-

Case No. 5987
Order No. R-5500

(7) That applicant further seeks approval for the reopening of its C. W. Roberts Wells Nos. 3 and 4 and its Lydia Rentz Well No. 4 to commingle Mesaverde, Gallup, and Dakota production within the wellbores of the above-described wells located in Units O, M, and A of Sections 18, 17, and 19, respectively, of the same township.

(8) That from each of said zones, the subject wells may reasonably be expected to be capable of low rates of production only.

(9) 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.

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

(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 Aztec district office of the Commission any time any of the subject wells are shut-in for 7 consecutive days.

(12) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec District Office of the Commission and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Getty Oil Company, is hereby authorized to commingle Mesaverde, Gallup, and Dakota production within the wellbore of the C. W. Roberts Well No. 3 located in Unit O of Section 18, its C. W. Roberts Wells Nos. 4 and 5 located in Units M and F, respectively, of Section 17, and its Lydia Rentz Well No. 4 located in Unit A of Section 19, all in Township 25 North, Range 3 West, NMPH, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec District Office of the Commission and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

-3-
Case No. 5987
Order No. R-5500

(3) That the operator of the subject wells shall immediately notify the Commission's Aztec district office any time the wells have been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

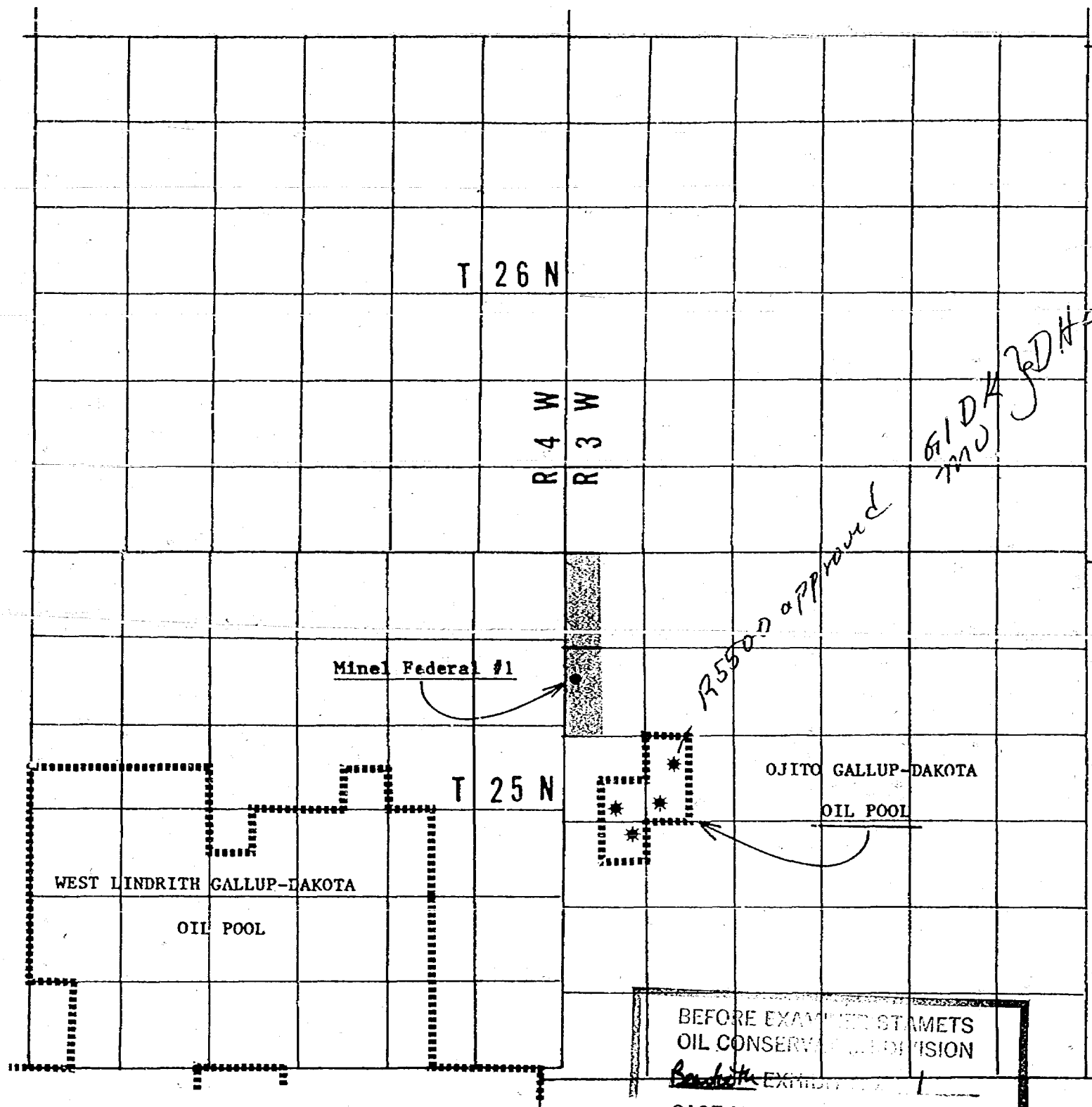
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/



BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION
<i>Baile</i> EXHIBIT 1
CASE NO. 7337
Submitted by <i>Kendrick</i>
Hearing Date 8/26/81

SUMMARY OF PRODUCTION

MINEL FEDERAL NO. 1

GALLUP - DAKOTA PRODUCTION DATA

April 1981

avg.

44 BO, 3 days
14.7 BOPD
62.6 BWPD
60 MCFPD

May 1981

avg.

609 BO, 30 days
20.3 BOPD
50 BWPD
25-75 MCFPD

June 1981

avg.

361 BO, 27 days
13.37 BOPD
25 BWPD
60-70 MCFPD

July 1981

avg.

370 BO, 29 days
11.9 BOPD
25 BWPD
70-100 MCFPD

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Burdette EXHIBIT NO. 2

CASE NO. 7337

Submitted by Kendrick

Hearing Date 8/26/81

BLANCO MESAVERDE POOL

R 4 W

R 3 W

R 2 W

T 26 N

Minel Federal #1

T 25 N

BEFORE EXAMINER STAMPTS
OIL CONSERVATION DIVISION

Beaumont EXHIBIT NO. 3

CASE NO. 7337

Submitted by *Kendrick*

Hearing Date 8/26/81

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. 5987
Order No. R-5500

APPLICATION OF GETTY OIL
COMPANY FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stanets.

NOW, on this 9th day of August, 1977, 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, Getty Oil Company, is the owner
and operator of the C. W. Roberts Well No. 5, located in
Unit F of Section 17, Township 25 North, Range 3 West, RMPM,
Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle
Mesaverde, Gallup, and Dakota production within the wellbore
of the above-described well.
- (4) That from the Mesaverde zone, the subject well is
capable of low rates of production only.
- (5) That from the Gallup zone, the subject well is
capable of low rates of production only.
- (6) That from the Dakota zone, the subject well is
capable of low rates of production only.

-2-

Case No. 5987
Order No. R-5500

- (7) That applicant further seeks approval for the reopening of its C. W. Roberts Wells Nos. 3 and 4 and its Lydia Rentz Well No. 4 to commingle Mesaverde, Gallup, and Dakota production within the wellbores of the above-described wells located in Units O, M, and A of Sections 18, 17, and 19, respectively, of the same township.
- (8) That from each of said zones, the subject wells may reasonably be expected to be capable of low rates of production only.
- (9) 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.
- (10) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the wells are not shut-in for an extended period.
- (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 Aztec district office of the Commission any time any of the subject wells are shut-in for 7 consecutive days.
- (12) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec District Office of the Commission and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Getty Oil Company, is hereby authorized to commingle Mesaverde, Gallup, and Dakota production within the wellbore of the C. W. Roberts Well No. 3 located in Unit O of Section 18, its C. W. Roberts Wells Nos. 4 and 5 located in Units M and F, respectively, of Section 17, and its Lydia Rentz Well No. 4 located in Unit A of Section 19, all in Township 25 North, Range 3 West, NMPH, Rio Arriba County, New Mexico.
- (2) That the applicant shall consult with the Supervisor of the Aztec District Office of the Commission and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

-3-
Case No. 5987
Order No. R-5500

(3) That the operator of the subject wells shall immediately notify the Commission's Aztec district office any time the wells have been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

Emory C. Arnold
Emory C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

- CASE 7335: Application of C & E Operators, Inc. for amendment to Division Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5459 by amending the location of the Northwest-Southeast trending line as described in Exhibit A of said Order No. R-5459 pertaining to Township 30 North, Range 11 West, as follows: Section 6: West and South; Section 8: West and South; Sections 9, 10, and 11: South; and Section 13: West and South.
- CASE 7336: Application of C & E Operators, Inc. for three triple completions, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to triply complete the following wells in Township 30 North, Range 11 West, to produce gas from the Farmer-Fruitland Pool, the Aztec-Pictured Cliffs Pool, and the Blanco Mesaverde Pool through separate strings of tubing: Aztec Wells Nos. 8 in Unit N of Section 8 and 9 in Unit M of Section 9; and Fee Well No. 8 in Unit C of Section 8.
- CASE 7337: Application of Beartooth Oil & Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Ojito Gallup-Dakota and Blanco Mesaverde production in the wellbore of its Minel Federal Well No. 1 located in Unit E of Section 7, Township 25 North, Range 3 West. Applicant further seeks the establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West.
- CASE 7338: Application of Beartooth Oil & Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Farmington production in the wellbore of its Elledge Federal 34 Well No. 11 located in Unit D of Section 34, Township 29 North, Range 11 West.
- CASE 7339: Application of Doyle Hartman for compulsory pooling, unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying the S/2 of Section 17, Township 24 South, Range 37 East, to be simultaneously dedicated to his Late Thomas Well No. 1 located in Unit M of said Section 17, and to two proposed wells, one to be drilled at an orthodox location in Unit J and the other at an unorthodox location 2310 feet from the South line and 330 feet from the West line, both in said Section 17. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.
- CASE 7340: Application of Doyle Hartman for directional drilling and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill his City of Jal Well No. 1, the surface location of which is 1635 feet from the South line and 1210 feet from the West line of Section 20, Township 25 South, Range 37 East, Jalmat Pool, to top the Jalmat at a bottom hole location 660 feet from the South and West Lines at a vertical depth of 2800 feet and to bottom said well at an unorthodox location 330 feet from the South and West lines at a vertical depth of 3500 feet.
- CASE 7317: (Continued from July 29, 1981, Examiner Hearing)
Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying Townships 30 and 31 North, Ranges 2 thru 7 West, containing 270,260 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7129: (Continued from August 12, 1981, Examiner Hearing)
Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7169: (Continued from August 12, 1981, Examiner Hearing)
Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 22, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

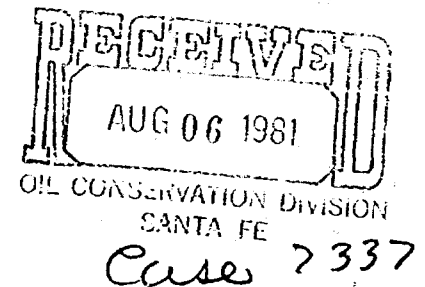
CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDE

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 5, 1981

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: Application of Beartooth Oil & Gas Company for
Downhole Commingling, Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Beartooth Oil
& Gas Company in the above-referenced matter.

The applicant requests that this matter be included on the
docket for the examiner hearing scheduled to be held on
August 26, 1981.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC:lr

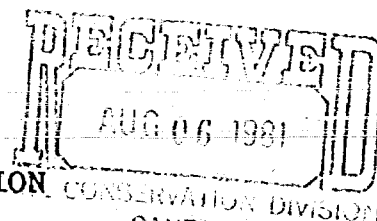
Enclosures

cc: Mr. A. R. Kendrick

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS



IN THE MATTER OF THE APPLICATION
OF BEARTOOTH OIL & GAS COMPANY
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

CASE 7337

APPLICATION

Comes now, BEARTOOTH OIL & GAS COMPANY, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for downhole commingling and in support thereof, respectfully states:

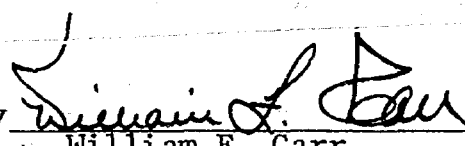
1. Applicant is the operator of the Minel Federal No. 1 Well located in Unit E of Section 7, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Applicant proposes to commingle in the well bore of said well production from the Gallup and Dakota formations (Ojito Gallup-Dakota Oil Pools) and the Mesaverde formation (Blanco-Mesaverde Pool).
3. Applicant further seeks establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
4. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste and will not cause damage to either the Gallup, Dakota or Mesaverde formations.

5. Approval of this application will not impair the correlative rights of any offset operators.

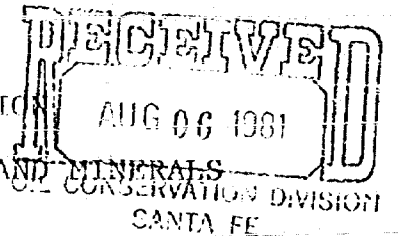
WHEREFORE, BEARTOOTH OIL & GAS COMPANY requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 26, 1981, that notice be given as required by law and the rules of the Division and that the Division enter its order granting the applicant permission to downhole commingle production from the Gallup, Dakota and Mesaverde formations in the well bore of its Minel Federal No. 1 Well.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION
SANTA FE



IN THE MATTER OF THE APPLICATION
OF BEARTOOTH OIL & GAS COMPANY
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

CASE 7337

APPLICATION

Comes now, BEARTOOTH OIL & GAS COMPANY, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for downhole commingling and in support thereof, respectfully states:

1. Applicant is the operator of the Minel Federal No. 1 Well located in Unit E of Section 7, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Applicant proposes to commingle in the well bore of said well production from the Gallup and Dakota formations (Ojito Gallup-Dakota Oil Pools) and the Mesaverde formation (Blanco-Mesaverde Pool).
3. Applicant further seeks establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
4. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste and will not cause damage to either the Gallup, Dakota or Mesaverde formations.

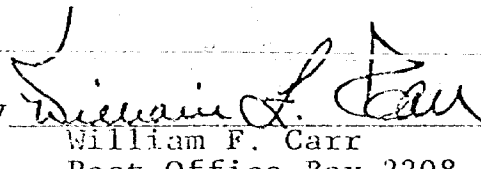
5. Approval of this application will not impair the correlative rights of any offset operators.

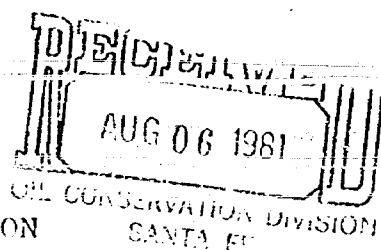
WHEREFORE, BEARTOOTH OIL & GAS COMPANY requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 26, 1981, that notice be given as required by law and the rules of the Division and that the Division enter its order granting the applicant permission to downhole commingle production from the Gallup, Dakota and Mesaverde formations in the well bore of its Minel Federal No. 1 Well.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF BEARTCOOTH OIL & GAS COMPANY
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

CASE 2337

APPLICATION

Comes now, BEARTCOOTH OIL & GAS COMPANY, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for downhole commingling and in support thereof, respectfully states:

1. Applicant is the operator of the Minel Federal No. 1 Well located in Unit E of Section 7, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Applicant proposes to commingle in the well bore of said well production from the Gallup and Dakota formations (Ojito Gallup-Dakota Oil Pools) and the Mesaverde formation (Blanco-Mesaverde Pool).
3. Applicant further seeks establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
4. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste and will not cause damage to either the Gallup, Dakota or Mesaverde formations.

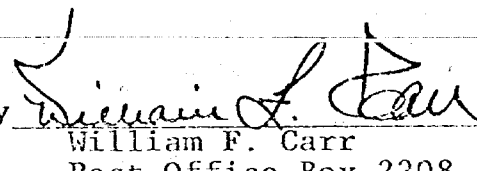
5. Approval of this application will not impair the correlative rights of any offset operators.

WHEREFORE, BEARTOOTH OIL & GAS COMPANY requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 26, 1981, that notice be given as required by law and the rules of the Division and that the Division enter its order granting the applicant permission to downhole commingle production from the Gallup, Dakota and Mesaverde formations in the well bore of its Minel Federal No. 1 Well.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

 CASE NO. 7337

Order No. R-6729

APPLICATION OF BEARTOOTH OIL & GAS COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 26
19 81, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of _____, 1981, the
Division Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Beartooth Oil & Gas Company, is
the owner and operator of the Minel Federal Well No. 1,
located in Unit E of Section 7, Township 25 North,
Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Ojito Gallup-Dakota and Blanco Mesaverde production
within the wellbore of the above-described well.

(4)(4) That from the Ojito Gallup-Dakota zone, the subject well is capable of low marginal production only.

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

(6)(6) 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.

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

(8)(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9)(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

(10)(4) That the applicant further seeks the establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West.

(11) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Beartooth Oil & Gas Company, is hereby authorized to commingle Ojito Gallup-Dakota and Blanco Mesaverde production within the wellbore of the Minel Federal Well No. 1, located in Unit E of Section 7, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(ALTERNATE)

(2) That _____ percent of the commingled production shall be allocated to the Ojito Gallup-Dakota zone and _____ percent of the commingled production shall be allocated to the Blanco Mesaverde zone.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

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

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

(4) That the Division Director is hereby authorized to administratively approve the commingling of Ojito Gallup-Dakota and Blanco Mesaverde production in applicant's wells within the W/2 of Sections 6 and 7, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico upon application and a proper showing: ~~that (a) the~~

(a) ^{lowermost of} the pressure ~~in~~ the two zones is not less than ~~50%~~ ^{50%} between the highest and lowest pressure.

(b) evidence establishing the ratio of production to be assigned to each zone; and,

(c) ~~and~~ ^{and} ~~the~~ ^{the} ~~ratio~~ ^{ratio} ~~of~~ ^{of} ~~production~~ ^{production} ~~to~~ ^{to} ~~be~~ ^{be} ~~assigned~~ ^{assigned} ~~to~~ ^{to} ~~each~~ ^{each} ~~zone~~ ^{zone}