

CASE 5706: GULF OIL CORP. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO

CASE NO.

5706

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

Gulf Energy and Minerals Company-U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

December 7, 1976

P. O. Box 670
Hobbs, New Mexico 88240

Re: W. A. Ramsay (NCT-B) No. 6
Downhole Commingling
Order No. R-5275

Mr. Jerry Sexton
District Supervisor
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, NM 88240

Dear Sir:

In accordance with the provision of Downhole Commingling Order No. R-5275, Gulf Oil Corporation requests a temporary allocation formula for the Blinebry and Drinkard Pools in the subject well.

In conjunction with this, we are submitting a decline curve from the Blinebry Pool and tests on the attached C-116's for the Drinkard Pool and commingled Blinebry and Drinkard Pools.

It is our recommendation, based on the attached data, the following allocation be made on the commingled production:

Blinebry Oil	49%	Blinebry Gas	44%
Drinkard Oil	51%	Drinkard Gas	56%

If you are in agreement with this temporary allocation formula, please advise.

Yours very truly,

C. D. Borland

C. D. BORLAND

Attachments
RDW/dch



A DIVISION OF GULF OIL CORPORATION

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

December 9, 1976

Case No. 5706

C
O
P
Y

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico

Attention: Mr. C. D. Borland

Re: Downhole Commingling
Order No. R-5275

Gentlemen:

This is to advise that the temporary allocation formula as outlined in your letter of December 7, 1976, for downhole commingled Blinbry and Drinkard production from your W. A. Ramsay (NCT-B) Well No. 6 located in Unit H of Section 25, T-21-S, R-36-E, is satisfactory with this office.

Yours very truly,

OIL CONSERVATION COMMISSION

Jerry Sexton
Supervisor, District 1

MC
cc-OCC, Santa Fe
Attach.



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
September 1, 1976

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Robert H. Thomas
Attorney at Law
Gulf Oil Corporation
Box 1150
Midland, Texas 79701

Re: CASE NO. 5706
ORDER NO. R-5275

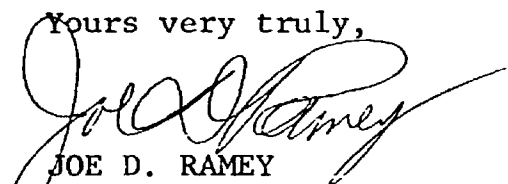
Applicant:

Gulf Oil Corporation

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
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. 5706
Order No. R-5275

APPLICATION OF GULF OIL
CORPORATION FOR DOWNHOLE
COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 7, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of August, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Gulf Oil Corporation, is the owner and operator of the William A. Ramsay (NCT-B) Well No. 6 located in Unit H of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That said well is presently completed in and producing from the Drinkard formation only.

(4) That the applicant proposes to perforate said well to also produce from the Blinbry formation, and to commingle said Blinbry production with the Drinkard production in the wellbore of said well.

(5) That from the Drinkard formation, said well is capable of marginal production only.

(6) That it is expected that the Blinbry formation will be capable of marginal production only upon completion of said well in said formation.

(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 in the aforesaid well is expected to be 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, the operator, upon completion of the well, should consult with the supervisor of the Hobbs district office of the Commission to determine an allocation formula.

(11) That an administrative procedure should be established whereby additional wells may be completed in the manner described above on applicant's William A. Ramsay (NCT-B) Lease.

(12) That the authority for downhole commingling of production in the wellbore of the subject well or in wells approved by administrative procedure should be subject to rescission by the Secretary-Director of the Commission and the requirement for down-hole separation equipment in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which render down-hole commingling inadvisable.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore of its William A. Ramsay (NCT-B) Well No. 6, located in Unit H of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That upon completion of said well to produce from both the Blinebry and Drinkard formations, the applicant shall consult with the supervisor of the Hobbs district office of the Commission to determine the proper formula for allocation of oil and gas production to each zone open in the well.

-3-

Case No. 5706
Order No. R-5275

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

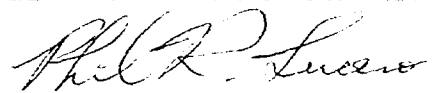
(4) That the Secretary-Director of the Commission may authorize the completion of other wells on applicant's William A. Ramsay (NCT-B) Lease, located in Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, in the manner described in Order No. (1) above and subject to the provisions of this order when the application for such commingling is filed in accordance with the applicable provisions of Rule 303 C 2 of the Commission Rules and Regulations.

(5) That the Secretary-Director of the Commission shall have authority to rescind downhole commingling authority for any well approved for such commingling by this order or pursuant to the provisions of Order No. (4) above in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which in his opinion render downhole commingling inadvisable.

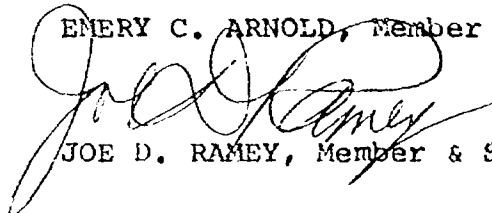
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

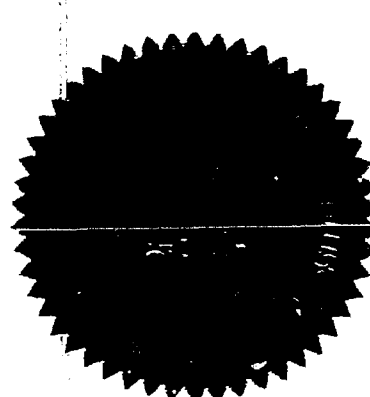
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary


S E A L

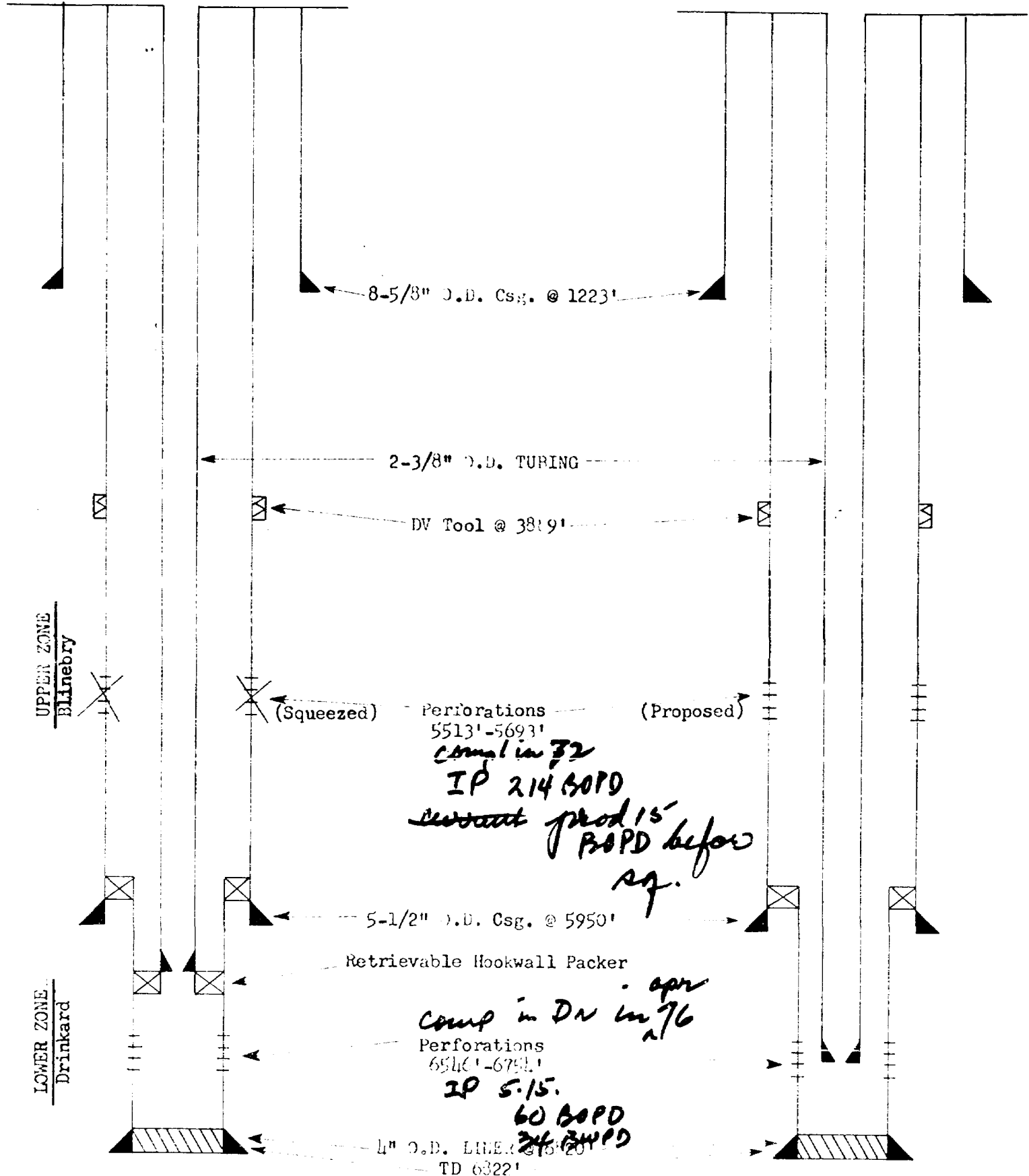
dr/

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
 WILLIAM A. RAMSAY (NCT-S) WELL No. 6
 UNIT H, 2310' ENL & 430' FEL SEP 25, T-21-S, R-36-E
 LEA COUNTY, NEWMEXICO

PRESENT

PROPOSED



NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICO

Hearing Date

JULY 7th, 1976

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
ROGER HAWKS	ROGER HAWKS	MIDLAND
CHARLES F. KATZNER	GULF OIL CORP.	"
ROBERT H. THOMAS	GULF OIL CORP.	"
ROY C. WILLIAMSON JR.	Sipes, Williamson & Aycock	
William J. Cooley	for Vega Petroleum	Midland, Tex.
	for Benson-Monten Green - Fryman	
AL K. GREER	" " "	
Dale Kincheloe	Hanson Oil Co.	Roswell
Jason Kellahin	Kellahin & Fox	San Jo. H.
Elmer Stutz	Cities Service Oil Co.	Midland

Case 5704
3705
5706

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 7, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation)	CASES
for downhole commingling, Lea County,)	5704
New Mexico.)	5705
)	5706

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

For the Applicant:	Robert H. Thomas, Esq.
	Attorney at Law
	Midland, Texas
	James E. Sperling, Esq.
	MODRALL, SPERLING, ROEHL, HARRIS,
	& Sisk
	Attorneys at Law
	Public Service Building
	Albuquerque, New Mexico

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Phone (505) 982-9212

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I N D E X

Page

CHARLES F. KALTEYER

Direct Examination by Mr. Thomas

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Cross Examination by Mr. Nutter

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Gulf's Exhibit Two, (5704), Schematic Diagram

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Gulf's Exhibit Two-A, (5704), Schematic Diagram

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Gulf's Exhibit Two-B, (5705), Schematic Diagram

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Gulf's Exhibit Two, (5706), Schematic Diagram

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Gulf's Exhibit Three-A, (5704), Tables

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Gulf's Exhibit Three-B, (5704), Tables

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Gulf's Exhibit Three A, (5705), Tables

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Gulf's Exhibit Three-B, (5705), Tables

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Gulf's Exhibit Three-A, (5706), Tables

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Gulf's Exhibit Four, Production Performance

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1 MR. NUTTER: We will now call Case Number 5704.

2 MR. CARR: Case 5704, application of Gulf Oil
3 Corporation for downhole commingling, Lea County, New Mexico.

4 MR. THOMAS: Mr. Examiner, I'm Robert H. Thomas for
5 Gulf Oil in Midland.

6 We would ask that Case 5704, Case 5705 and Case 5706
7 be presented as a consolidation, consolidate the three cases
8 for presentation purposes.

9 MR. NUTTER: We will call now Case Number 5705.

10 MR. CARR: Case 5705, application of Gulf Oil
11 Corporation for downhole commingling, Lea County, New Mexico.

12 MR. NUTTER: And we will call Case Number 5706.

13 MR. CARR: Case 5706, application of Gulf Oil
14 Corporation for downhole commingling, Lea County, New Mexico.

15 MR. NUTTER: Cases Numbers 5704, 5705 and 5706 will
16 be consolidated for purpose of hearing. You may proceed.

17 MR. THOMAS: Mr. Examiner, I have one witness to be
18 sworn, please.

19 (THEREUPON, the witness was duly sworn.)

20
21 CHARLES F. KALTEYER

22 called as a witness, having been first duly sworn, was
23 examined and testified as follows:

24 DIRECT EXAMINATION

25 BY MR. THOMAS:

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1 Q Would you please give us your name, employer and
2 your present position?

3 A My name is Charles F. Kalteyer, K-a-l-t-e-y-e-r.
4 I'm employed by Gulf Oil Corporation as District Proration
5 Engineer in the Midland District.

6 Q And have you previously testified before this
7 Commission in that capacity?

8 A Yes, sir, I have.

9 MR. THOMAS: Mr. Examiner, is the witness qualified?

10 MR. NUTTER: Yes, he is.

11 Q (Mr. Thomas continuing.) What is Gulf seeking in
12 this application, Mr. Kalteyer?

13 A In this application Gulf is seeking to downhole
14 commingle Blinebry and Drinkard production in the wellbore of
15 the H. T. Mattern (NCT-B) Well 16, the H. T. Mattern (NCT-C)
16 Well Nos. 5 and 8 and the William A. Ramsay (NCT-B) Well No. 6
17 located respectively in Unit D, Section 31, Township 21 South,
18 Range 37 East; Unit I, Section 18, Township 21 South, Range
19 37 East; Unit A, Section 18, Township 21 South, Range 37 East;
20 and Unit H, Section 25, Township 21 South, Range 36 East, all
21 in Lea County, New Mexico and to establish a procedure for
22 administrative approval of future applications for similar
23 downhole commingling authority on these three leases.

24 MR. THOMAS: Mr. Examiner, we have some exhibits on
25 these three, one being marked.

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1 Mr. Examiner, may the record show that we are
2 associated with James E. Sperling. Has that letter been
3 received?

4 MR. NUTTER: We have the letter in the record.

5 Q (Mr. Thomas continuing.) Mr. Kalteyer, do you have
6 a plat showing the H. T. Mattern and William A. Ramsay tracts
7 involved in this application?

8 A Yes, sir, Exhibit One is a plat of the area and you
9 will note that the H. T. Mattern (NCT-B) Lease is outlined in
10 blue, the H. T. Mattern (NCT-C) Lease is outlined in red and
11 the William A. Ramsay (NCT-B) Lease is outlined in green. The
12 wells presently completed in the Drinkard Pool are circled in
13 red and the wells completed in the Blinebry Pool are circled
14 in green. Other wells on the leases are completed in either
15 the Arrowhead, Eumont, Paddock or Penrose Skelly Pools.

16 Q Do you have exhibits depicting the downhole
17 particulars of these wells?

18 A Yes, sir. Exhibits Two of Case 5704, Two-A and
19 Two-B of 5705 and Two of 5706 are schematic diagrams of the
20 present downhole particulars of the wells together with the
21 proposed completions after downhole commingling.

22 Q Please give us the history of the wells for which
23 you are requesting this downhole commingling authority?

24 A The Mattern B-16 which is enclosed in a green square
25 on Exhibit One was completed through selective perforations

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1 fifty-five thirty-two to fifty-seven, thirty-one on May 27th,
2 1972. On initial potential was a hundred and fifty-five barrels
3 of oil per day. It was necessary to equip the well to pump
4 three months later and by November of '75 production had
5 declined to twelve barrels of oil per day and eleven barrels
6 of water, after which the Blinebry perforations were squeezed
7 off and the well deepened to sixty-eight, ten.

8 MR. NUTTER: When was that?

9 A It was deepened after December and the completion in
10 the Drinkard was on January 8th, 1976 through a perforated
11 interval sixty-five, oh, one to sixty-seven, thirty-five in a
12 four-inch liner.

13 On potential on January 21st, the well flowed a
14 hundred and ten barrels of oil per day and a hundred and
15 twenty-five barrels of water, load water, per day. Within
16 three weeks it was necessary to equip the well to pump. On
17 latest test, May 25th of '76, it pumped at the daily rate of
18 forty-three barrels of oil and eighteen barrels of water, with
19 a twenty-three hundred. sixty-two to one ratio.

20 The H. T. Mattern C No. 5 on Exhibit Two-A of 5705,
21 also enclosed in a green square on Exhibit One, was drilled
22 to a total depth of sixty-eight hundred feet and dual completed
23 under Order No. MC-2199 in seven-inch casing in the Blinebry
24 through selective perforations from fifty-five, oh, two to
25 fifty-seven, twenty-six and the Drinkard through selective

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1 perforations from sixty-five, twenty-three to sixty-six, forty-
2 eight.

3 On initial potential in July of '75 the Drinkard
4 completion flowed sixty barrels of oil per day and twenty
5 barrels of load water.

6 On initial potential the Blinebry flowed sixteen
7 barrels of oil per day and twenty barrels of water per day.

8 On latest test on May 21st of '76 the Drinkard flowed at the
9 rate of seven barrels of oil per day, zero water with a
10 forty-three thousand, two hundred and eighty-one to one
11 ratio and the latest test on the Blinebry dated May 19th of
12 '76 flowed five barrels of oil per day, nine barrels of water
13 and forty-two thousand, six hundred to one ratio.

14 And the H. T. Mattern (NCT-C) Well No. 8 which is
15 also enclosed in a green square on Exhibit One, was drilled to
16 a total depth of sixty-seven, ninety-five and completed
17 December 2nd, 1975 in the Drinkard through selective perfora-
18 tions and five-and-a-half-inch casing from sixty-four,
19 sixty-four to sixty-seven, oh, eight and potentialled for a
20 hundred and thirty-eight barrels of oil per day and forty-three
21 barrels of load water. On latest test on May 22nd the well
22 flowed thirty barrels of oil per day and zero barrels of
23 water with a ratio of six thousand, three hundred and sixty-
24 seven to one gas-oil ratio.

25 The W. A. Ramsay (NCT-B) Well No. 6 also enclosed

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1 in a green square on Exhibit One was drilled to a total depth
2 of fifty-nine, fifty and completed April 13th, 1972, five-and-
3 a-half-inch casing in the Blinebry through selective perforations
4 from fifty-five, thirteen to fifty-six, ninety-three. On the
5 initial potential on April 14th of '72 the well flowed at the
6 rate of two hundred and fourteen barrels of oil per day. It
7 was necessary to equip the well to pump within two weeks when
8 it tested at the rate of a hundred and fourteen barrels of
9 oil and a hundred and twenty-seven barrels of water per day.
10 In March of '76 production had declined to fifteen barrels of
11 oil per day and a hundred and twenty-four barrels of water
12 per day.

13 In April of this year the Blinebry perforations were
14 squeezed off and the well deepened to sixty-eight, twenty-two
15 and the well completed through selective perforations from
16 sixty-five, forty-five to sixty-seven, fifty-four and four-inch
17 liner in the Drinkard zone. On potential on May 15th of this
18 year the well pumped sixty barrels of oil per day and thirty-
19 four barrels of water per day. On latest test on May 24th it
20 pumped at the rate of forty-three barrels of oil and twenty-
21 seven barrels of water with twenty-three hundred and forty-
22 nine to one gas-oil ratio.

23 Q Okay. Do you have any exhibits which set out the
24 monthly production from each of these wells?

25 A Yes, sir, Exhibits Three-A and Three-B of Case 5704,

1 Exhibits Three-A, Three-B and Four of Case 5705 and Exhibits
2 Three-A and Three-B of Case 5706 are tables which list monthly
3 oil, gas and water production through May of this year from
4 each of the completions as well as cumulative oil production
5 up to June 1st of '76.

6 Q Have precedents been set in the immediate area to
7 downhole commingle the Blinebry and Drinkard Pools?

8 A Yes, under Order No. R-4492 on March 16th, 1973,
9 Order R-4824 on July 16th, 1974 and Order R-4914 on November 12th
10 of '74 the Commission authorized Continental Oil Company to
11 downhole commingle their Lockhart B-1 Wells 7, 8 and 9 in
12 Section 1, Township 22 South, Range 36 East noted in the
13 lower left-hand corner of Exhibit One.

14 MR. NUTTER: Would you give us those order numbers
15 again, please, Mr. Kalteyer?

16 A R-4492, R-4824 and R-4914.

17 MR. NUTTER: Thank you.

18 A These wells offset Gulf's H. T. Mattern (NCT-D) and
19 (NCT-F) leases. Also under Order No. R-5114 on November 17th,
20 1975 the Commission authorized to downhole commingle Gulf's
21 H. T. Mattern (NCT-D) Well No. 8 in Unit E, Section 6, Township
22 22 South, Range 37 East; also the H. T. Mattern (HCT-F) Well
23 No. 4 in Unit B in Section 1, Township 22 South, Range 37
24 East; and the Harry Leonard (NCT-C) Well No 17 in Unit C of
25 Section 36, Township 21 South, Range 36 East. Also under

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1 Order No. DHC-196, the Commission administratively approved
2 the downhole commingling of Gulf's Harry Leonard (NCT-C)
3 Well No. 12 in Unit A, Section 36, Township 21 South, Range
4 36 East and this is an offset to our H. T. Mattern (NCT-B)
5 No. 16 which we are requesting in Case No. 5704.

6 Q (Mr. Thomas continuing.) Mr. Kalteyer, is it
7 physically possible to dual complete the four Gulf wells which
8 are the subject of this hearing?

9 A Three of the wells that are completed in five-and-a-
10 half-inch casing would barely allow two-and-a-sixteenth inch
11 IJ tubing to be run. Fishing of parting tubing would be most
12 difficult.

13 We anticipate that both zones in all of the wells
14 will ultimately be pumped. We found that attempts to pump the
15 gassey Drinkard zone from under packer are difficult and
16 inefficient.

17 In order to rod pump from this depth API grade "D"
18 three-quarter inch rods with slim hole couplings would be
19 required in the two-and-sixteenths-inch tubing. Rod string
20 failures in couplings would be impossible to fish and would
21 necessitate a tubing stripping job.

22 The use of API Grade "D" rods is not very success-
23 ful without treating for corrosion and it would not be
24 possible to satisfactorily treat the Drinkard side for
25 corrosion.

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1 Dual completion of each of these wells would require
2 replacement of present downhole equipment with two strings of
3 tubing and rods as well as adding another pumping unit for
4 an additional outlay of some eighty-five thousand, two
5 hundred dollars less salvage for a net of approximately
6 sixty-six thousand.

7 The one exception to this mechanical condition is
8 the H. T. Mattern (NCT-C) Well No. 5 which is equipped with
9 seven-inch casing and is now a dual completion in the Blinebry
10 and the Drinkard. Commingling of both low oil volume pays in
11 this wellbore would release one string of tubing for use
12 elsewhere in our operations and eliminate the necessity of
13 duplicate pumping equipment at such time as both zones require
14 artificial lifting.

15 Q Could you give us some bottom-hole pressure data on
16 these wells?

17 A Yes, sir, we have some pressure in the area and we
18 have Drinkard pressures at a subsea depth of three thousand and
19 fifty based on fluid level soundings as well as a pressure bomb
20 measurement after twenty-four hour shut-in.

21 In the H. T. Mattern C-6 on June 2nd of this year
22 we had a pressure of one thousand and twenty-four psi. The
23 H. T. Mattern F-4 on October 4th of '75 had a pressure of one
24 thousand and sixteen psi. The Harry Leonard (NCT-C) No. 17
25 on October 4th of '75 had a pressure of one thousand and

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1 sixty-nine psi and we have one Blinebry pressure measured by
2 bottom-hole bomb taken in our Mattern C Well No. 5 in Unit 1
3 of Section 18, Township 21, Range 37 East taken June 2nd of
4 '76 of twelve hundred and thirty-seven psi after extrapolation
5 to the same data.

6 MR. NUTTER: That's extrapolation to that minus
7 thirty, fifty?

8 A. Yes, sir.

9 Q. (Mr. Thomas continuing.) Are you currently surface
10 commingling Blinebry and Drinkard production on these leases?

11 A. Yes, on the H. T. Mattern (NCT-C) and the William A.
12 Ramsay (NCT-B) leases.

13 Q. You are commingling both of them?

14 A. Yes, sir, we are commingling, surface commingling.

15 Q. How do you propose to make allocation of production
16 between the Blinebry and Drinkard Pools?

17 A. We will submit production data to the Hobbs District
18 Office and Supervisor in order that a split may be established
19 based on the projected recovery from the two zones.

20 Q. What do you propose in the event that secondary
21 recovery operations take place in the area?

22 A. We will recommend separation of zones as deemed
23 necessary for efficient secondary recovery operations.

24 MR. NUTTER: As being necessary or unnecessary?

25 A. No, as deemed necessary.

1 MR. NUTTER: As deemed necessary? Okay.

2 Q (Mr. Thomas continuing.) What is your opinion
3 regarding possible cross flows between these zones?

4 A We believe that we will be able to keep the wells
5 pumped down sufficiently to prevent possible cross flows where
6 they are on artificial lift.

7 Q What do you anticipate regarding the production
8 capabilities of these wells when commingled?

9 A Well, they are currently marginal producers now and
10 with the rapid fall off of the capabilities of both zones we
11 believe the wells will not be capable of producing top
12 allowables of the Blinebry Pool of a hundred and seven barrels
13 of oil and four hundred and twenty-eight MCF of gas and we
14 would recommend that the wells be allowed to produce at
15 their ability up to the top allowable of the Blinebry Pool.

16 Q Will you once again state for the record what Gulf
17 is seeking in this application?

18 A In order to protect correlative rights, prevent
19 waste and obtain maximum oil recovery in the most efficient
20 and feasible manner we request the authority to downhole
21 commingle the Blinebry and Drinkard zones in our H. T. Mattern
22 (NCT-B) Well No. 16, our H. T. Mattern (NCT-C) Wells No. 5
23 and 8 and the William A. Ramsay (NCT-B) Well No. 6 and to
24 establish a procedure for administrative approval for future
25 applications for similar downhole commingling authority on

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 Phone (505) 982-9212

1 these three leases.

2 Q Were these exhibits presented to the Examiner prepared
 3 by you or under your supervision?

4 A Yes, they were.

5 MR. THOMAS: Mr. Examiner, we move that these exhibits
 6 be admitted into evidence and that's all that we have at this
 7 time, we would close.

8 MR. NUTTER: What was the last exhibit, the Three
 9 series?

10 MR. KALTEYER: Yes. Exhibit Four was the production
 11 performance.

12 MR. THOMAS: We have Exhibits One, Two, Two-A,
 13 Two-B, Three and Four.

14 MR. KALTEYER: Right.

15 MR. NUTTER: Okay, Gulf Exhibits One, Two, some
 16 extra Two's, Three and some extra Three's and Four will be
 17 admitted into evidence.

18 (THEREUPON, Gulf's Exhibits One through
 19 Four were admitted into evidence.)

20

21 CROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Mr. Kalteyer, of these four wells we are talking
 24 about this morning, only one of them is currently producing
 25 from both of the zones, is that correct?

1 A. That is correct.

2 Q And a couple of the others have produced from the
3 Blinebry but aren't any longer?

4 A. That is correct. One has not been tested in the
5 Blinebry.

6 Q Now, do you think you have sufficient information on
7 the Mattern No. 5 to make a determination now as to the future
8 split of production in that well or will the producing
9 characteristics change enough when you commingle production in
10 the wellbore that these figures wouldn't be applicable?

11 A. I would believe that the production history that we
12 have on them now would probably be sufficient for that.

13 Q And that is covered by Exhibit Number Three-A and
14 Three-B, I believe, the production history from the two zones
15 in that well?

16 A. Yes, sir, that is correct.

17 Q Now, the only bottom-hole pressure that you have for
18 the Blinebry in this area is from that C No. 5 in Unit I of
19 Section 18, is that correct?

20 A. Yes, sir.

21 Q And that is not one of these wells, is it?

22 A. No, sir, that is not.

23 Q Is this a typical Blinebry pressure in this area, if
24 so, how do you know?

25 A. Well, we at our last hearing that we had for

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1 commingling of these other cases we were unable to establish
2 any Blinebry in the area and we did come up with this one
3 test to give us a feel for the Blinebry pressure.

4 Q Is this C-5 Well up here in Section 18 on the north
5 end of your Exhibit Number One, is that the --

6 A Yes, sir.

7 Q That's the well that has a little green square
8 around it then, it's in Unit I of Section 18?

9 A Yes, sir.

10 Q And was previously commingled or what?

11 A They show that as having been completed. All right,
12 yes, this is one of the wells that we are applying for.

13 Q This is one of the subject wells?

14 A Yes, sir. I stand corrected there.

15 Q Is this a typical Blinebry pressure in this area?

16 A Well, we don't really know. We believe that it
17 probably is but we don't have other Blinebry, we were unable
18 to establish any in the literature in this immediate area.

19 Q Are these wells of yours which you previously had
20 gotten approval for in the Continental's wells down here, in
21 the south end of Exhibit Number One, the only Blinebry
22 producers in this portion of the field?

23 A No, sir, I did not attempt to check out the other
24 Blinebry completions in all of the other tracts as far as
25 indicating them on this plat but there are other Blinebry

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1 completions in this area.

2 Q But there are still no Blinbry bottom-hole
3 pressures?

4 A We have no data, we could find none in the
5 literature.

6 Q Now, I notice that there seems to be a rather wide
7 diversity of gas-oil ratios in the area. Each of these proposed
8 downhole comminglings would be subject to a gas-oil ratio
9 limitation for that pool, would it not?

10 A Yes, sir, with the Blinbry limitation of four
11 hundred and twenty-eight MCF per day which is the lesser of
12 the two.

13 MR. NUTTER: Are there any further questions of
14 Mr. Kalteyer? He may be excused.

15 (THEREUPON, the witness was excused.)

16 MR. NUTTER: Do you have anything further, Mr.
17 Thomas?

18 MR. THOMAS: Mr. Examiner, we have nothing further.

19 MR. NUTTER: Does anyone have anything they wish to
20 offer in Cases Number 5704, 5705 and 5706?

21 We will take these cases under advisement.
22
23
24
25

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.

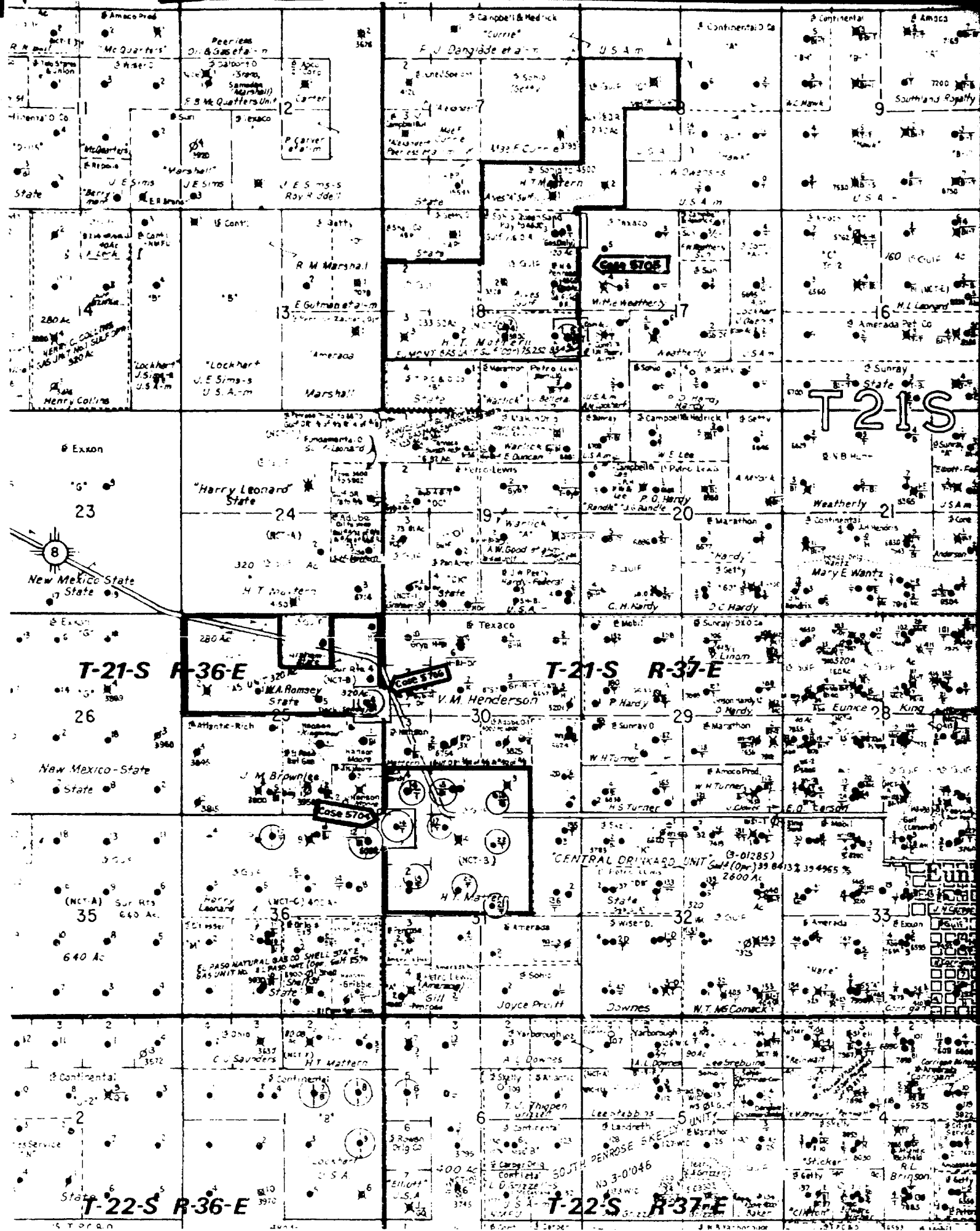
Sidney F. Morrish
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the Executive hearing of case No. 5704-05,06
heard by me on 7/7, 1976.

[Signature] Examiner
New Mexico Oil Conservation Commission

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GULF OIL CORPORATION
LEA COUNTY, NEW MEXICO
1" - 3000'

Exhibits
A 5706

LEGEND

-  DRINKARD POOL
-  BLINEBRY POOL
-  PROPOSED BLINEBRY-DRINKARD COMMINGLING

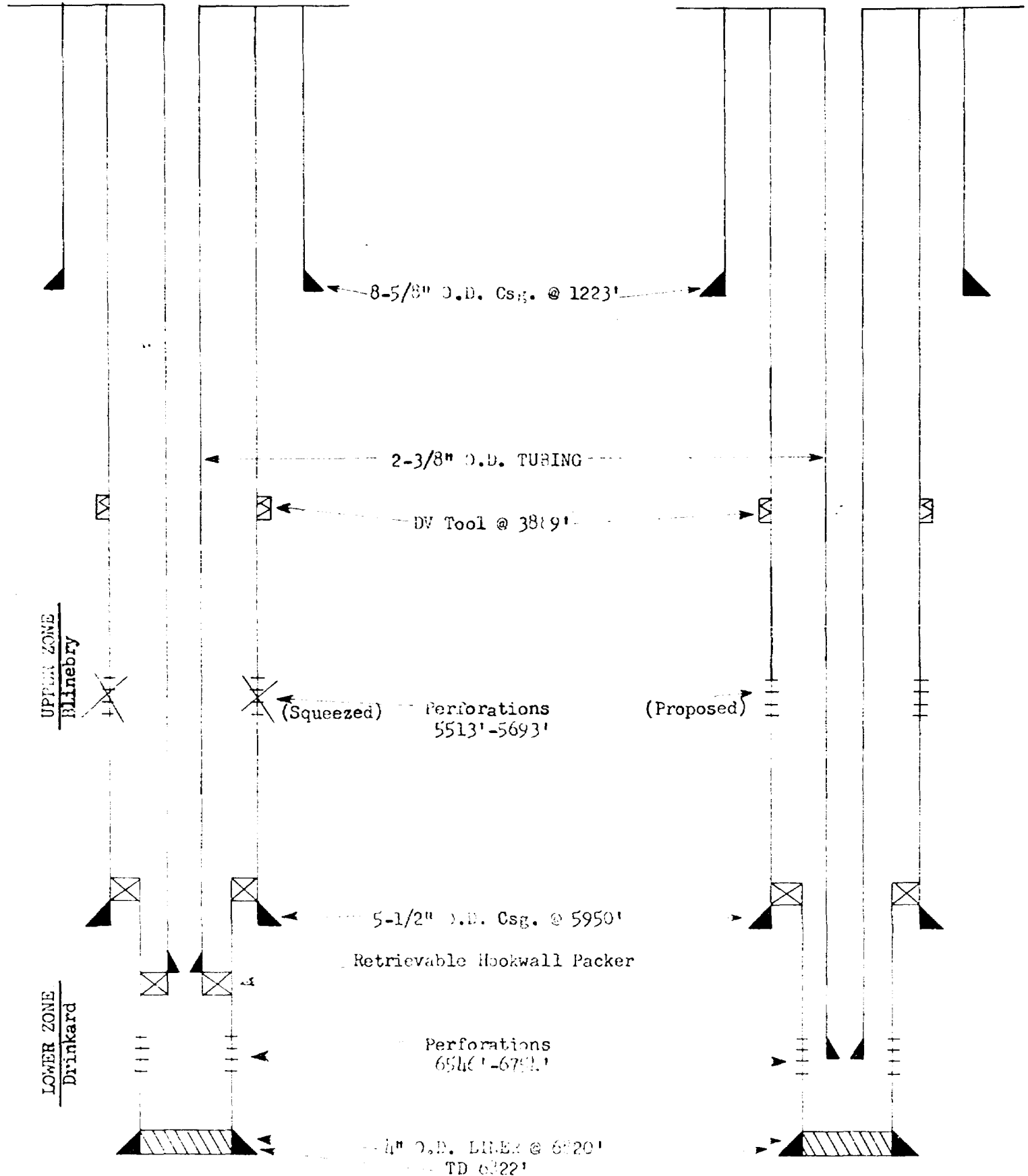
Cap Ex 1
A 5704, 05, & 06

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
 WILLIAM A. RAMSAY (NCT-8) WELL No. 6
 UNIT H, 2310' ENL & 430' ENL SE 25, T-21-S, R-36-E
 LEA COUNTY, NEWMEXICO

PRESENT

PROPOSED



BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 2
 CASE NO. 5706

EXHIBIT 2
 CASE 5706

TABULATION OF PRODUCTION
GULF OIL CORPORATION

WILLIAM A. RAMSAY (NCT-B) WELL NO. 6
BLINEBRY OIL AND GAS POOL
LEA COUNTY, NEW MEXICO

<u>MONTH</u>	<u>OIL (BBLs)</u>	<u>GAS (MCF)</u>	<u>WATER (BBLs)</u>
<u>1973</u>			
January	1,708	10,158	372
February	1,545	9,186	-
March	1,620	9,919	248
April	1,400	17	200
May	1,637	11,347	248
June	1,228	8,880	232
July	1,234	8,942	232
August	1,273	9,004	248
September	1,251	8,235	248
October	1,429	9,042	256
November	1,262	7,110	248
December	1,209	5,738	248

<u>1974</u>			
January	1,175	6,568	248
February	978	5,723	224
March	1,233	7,523	248
April	1,141	7,133	248
May	1,167	7,210	248
June	885	5,813	248
July	882	5,436	248
August	882	7,062	248
September	864	6,153	600
October	795	5,780	620
November	808	5,222	600
December	831	5,355	620

<u>1975</u>			
January	824	5,459	4,247
February	799	5,859	4,140
March	800	5,953	4,300
April	798	5,878	4,140
May	834	6,166	800
June	860	6,157	3,750
July	911	5,778	3,800
August	593	4,117	4,004
September	786	4,433	4,290
October	696	6,389	4,437
November	696	5,508	4,290
December	780	5,995	4,433

CUMULATIVE OIL PRODUCTION 6-1-76

59,195

EXHIBIT 3A
CASE 5706

BEFORE EXAMINED MUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>3A</u>
CASE NO. <u>5706</u>

TABULATION OF PRODUCTION
GULF OIL CORPORATION

WILLIAM A. RAMSAY (NCT-B) WELL NO. 6
DRINKARD POOL
LEA COUNTY, NEW MEXICO

<u>MONTH</u>	<u>OIL</u> <u>(BBLs)</u>	<u>GAS</u> <u>(MCF)</u>	<u>WATER</u> <u>(BBLs)</u>
	<u>1975</u>		
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	1,105	1,634	540

CUMULATIVE OIL PRODUCTION 6-1-76 1,105

EXHIBIT 3B
CASE 5706

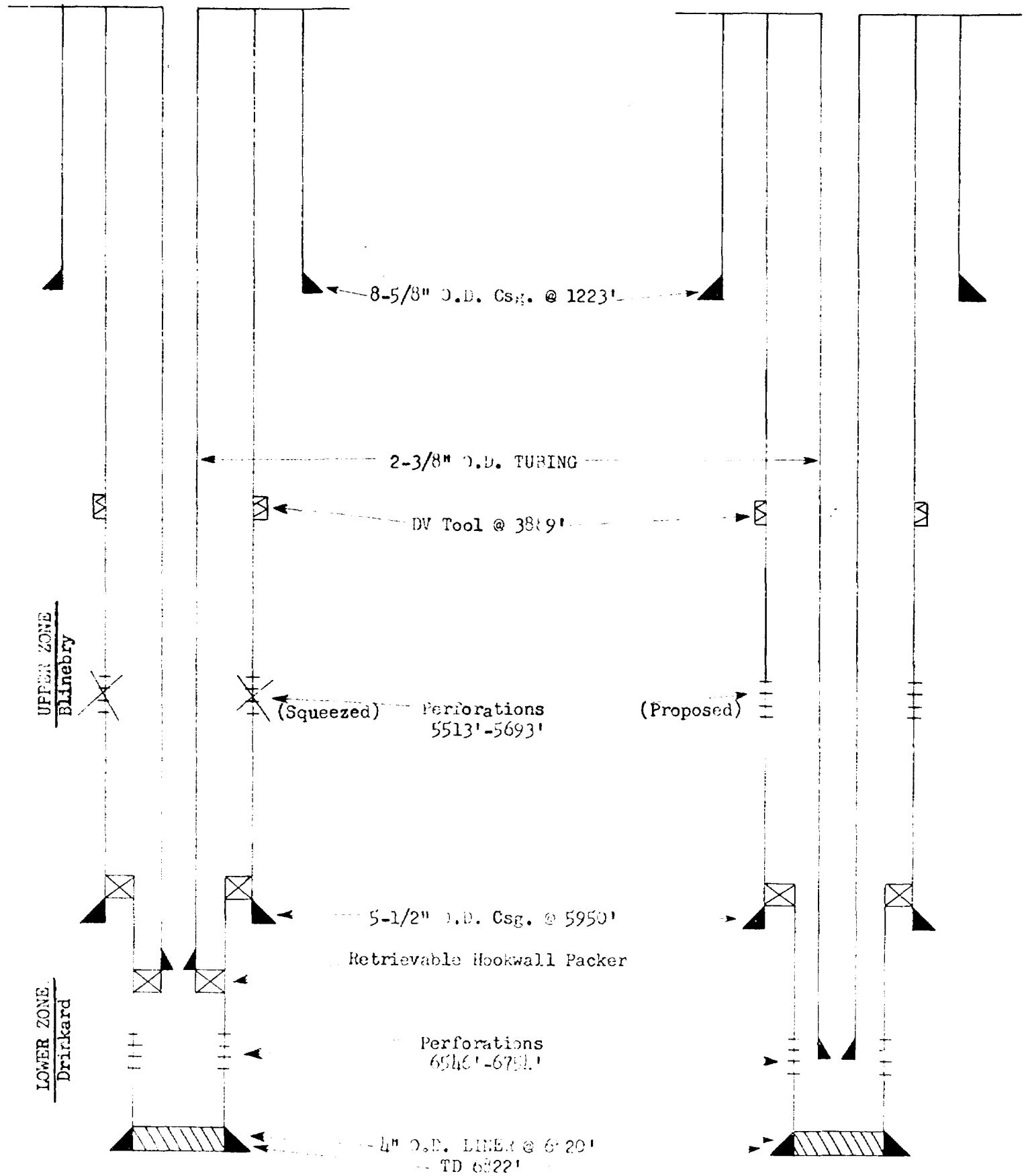
BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3B
CASE NO. 5706

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
 WILLIAM A. RAMSAY (NCT-5) WELL No. 6
 UNIT H, 2310' FNL & 430' FEL SF 25, T-21-S, R-36-E
 LEA COUNTY, NEWMEXICO

PRESENT

PROPOSED



TABULATION OF PRODUCTION
GULF OIL CORPORATION

WILLIAM A. RAMSAY (NCT-B) WELL NO. 6
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LEA COUNTY, NEW MEXICO

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EXHIBIT 3A
CASE 5706

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CUMULATIVE OIL PRODUCTION 6-1-76 1,105

EXHIBIT 3B
CASE 5706

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LEA COUNTY, NEW MEXICO

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EXHIBIT 3A
CASE 5706

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WILLIAM A. RAMSAY (NCT-B) WELL NO. 6
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LEA COUNTY, NEW MEXICO

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CUMULATIVE OIL PRODUCTION 6-1-76 1,105

EXHIBIT 3B
CASE 5706

Case 5706

See

Transcript

in

Case 5704 or 5705

Dockets Nos. 21-76 and 22-76 are tentatively set for hearing on August 4 and August 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 7, 1976
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 Richard L. Stamets, Alternate Examiner:

- CASE 5704: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinbry production in the wellbore of its H. T. Mattern (NCT-B) Well No. 16 located in Unit D of Section 31, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5705: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinbry production in the wellbore of its H. T. Mattern (NCT-C) Wells Nos. 5 and 8, located, respectively, in Units I and A of Section 18, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5706: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinbry production in the wellbore of its William A. Ramsay (NCT-B) Well No. 6 in Unit H of Section 25, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5707: Application of Harrington Transportation Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Llano Inc. Terry Well No. 1, to be drilled at a point 1650 feet from the North line and 1980 feet from the East line of Section 14, Township 13 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 5708: Application of Roger C. Hanks for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the approximate interval from 10,300 feet to 10,550 feet in his King Disposal Well No. 1 located in Unit C of Section 9, Township 20 South, Range 25 East, Eddy County, New Mexico.
- CASE 5709: Application of Tahoe Oil and Cattle Company for an exception to the provisions of Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen salt water disposal pit in the NW/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico.
- CASE 5710: Application of Benson-Montin-Greer Drilling Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the two following described non-standard gas proration units in Township 32 North, Range 13 West, Ute Dome-Dakota Gas Pool, San Juan County, New Mexico:
- a 250.64-acre unit comprising the N/2 of Section 30 to be dedicated to applicant's La Plata F-30 Well No. 2, located 900 feet from the North line and 827 feet from the West line of said Section 30;
- a 250.80-acre unit comprising the S/2 of Section 30 to be dedicated to applicant's La Plata K-30 Well No. 1 located 1508 feet from the South line and 825 feet from the West line of said Section 30.
- CASE 5691: (Readvertised and Reopened)
- Application of Hanson Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 5702: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tubb Gas Pool and Drinkard Oil Pool production in the wellbore of its Brunson "B" Well No. 7 located in Unit N of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico.

RECEIVED
JUN 15 1976
OIL CONSERVATION COMMISSION

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR
EXCEPTION TO RULE 303 TO ALLOW
DOWN-HOLE COMINGLING, LEA
COUNTY, NEW MEXICO

Case No. 5706

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk, of Albuquerque, New Mexico, hereby enter their appearance for the Applicant, Gulf Oil Corporation, with its house counsel of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By: James E. Sperling

James E. Sperling, Attorneys for
Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103
Telephone: (505) 243-4511

DEF. ROEHL ROEHL
JUN 15 1976

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
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By: 

James E. Sperling, Attorneys for
Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103
Telephone: (505) 243-4511

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEABERRY JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES A. PARKER
JOHN R. COONEY
KENNETH L. HARRIGAN
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DENNIS J. FALK
JOE R. G. FULCHER
ARTHUR D. MELENDORES
JAMES P. HOUGHTON
GEORGE J. HOPKINS
PAUL M. FISH
JUDY A. FRY

LAW OFFICES OF
MODRALL, SPERLING, ROEHL, HARRIS & SISK
PUBLIC SERVICE BUILDING
P. O. BOX 2166
ALBUQUERQUE, NEW MEXICO 87103

Case 5706
JUL 15 1976
JOHN F. BIRMINGHAM 1965-1966
AUGUSTUS T. SEYMOUR
1907-1966
OIL CONSERVATION COMMISSION
TELEPHONE 243-4511
SANTA FE CODE 508

June 14, 1976

Mr. Joe D. Ramey
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Gulf Oil Corporation for
Exception to Rule 303 to Allow Down-Hole
Commingling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed is Entry of Appearance on behalf of the Applicant,
Gulf Oil Corporation, in the above-captioned application,
which has been requested for docketing at the Examiner's
Hearing on July 7, 1976.

Very truly yours,

James E. Sperling

/jev

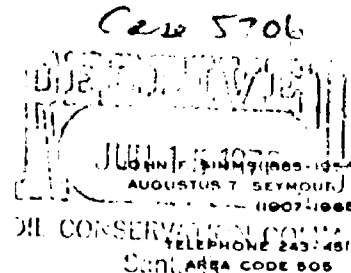
Enclosure

cc: Mr. Charles C. Hairston, w/encl.
Divisional Attorney
Gulf Energy and Minerals Company-U.S.

Mr. R. F. Ward, Jr., w/encl.
District Operations Manager
Gulf Energy and Minerals Company-U.S.

J. R. MODRALL
JAMES E. SPERLING
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LAW OFFICES OF
MODRALL, SPERLING, ROEHL, HARRIS & SISK
PUBLIC SERVICE BUILDING
P. O. BOX 2166
ALBUQUERQUE, NEW MEXICO 87103



June 14, 1976

Mr. Joe D. Ramey
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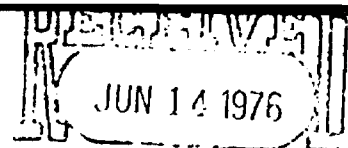
/jev

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District Operations Manager
Gulf Energy and Minerals Company-U.S.

(Case 5706)



Gulf Energy and Minerals Company - U.S.A.

PRODUCTION DEPARTMENT
MIDLAND DISTRICT

B. L. Choate
DISTRICT PRODUCTION MANAGER
R. F. Ward, Jr.
DISTRICT OPERATIONS MANAGER
C. E. Fields
DISTRICT SERVICES MANAGER
A. J. Evans, Jr.
DISTRICT ENVIRONMENTAL, SAFETY,
AND JOINT OPERATIONS MANAGER
J. C. Howard
DISTRICT EMPLOYEE RELATIONS MANAGER

P. O. Drawer 1150
Midland, Texas 79701

June 10, 1976

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

ATTN: Mr. Joe D. Ramey

RE: Application of Gulf Oil Corporation
for Exception to Rule 303 to Allow
Down-Hole Commingling, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests that a hearing be scheduled on your Examiner's Hearing Docket of July 7, 1976 to consider Gulf's application for down-hole commingling of the below listed wells in the Drinkard and Blinbry Pools.

H. T. Mattern (NCT-B) Well No. 16
Unit D, Section 31, T-21-S, R-37-E

H. T. Mattern (NCT-C) Well No. 5
Unit I, Section 18, T-21-S, R-37-E

H. T. Mattern (NCT-C) Well No. 8
Unit A, Section 18, T-21-S, R-37-E

William A. Ramsay (NCT-B) Well No. 6
Unit H, Section 25, T-21-S, R-36-E

Gulf will request that the combined allowable of the two zones in each well be assigned at the wells' commingled ability to produce, but not to exceed one top oil and gas allowable as established for the Blinbry Oil and Gas Pool, i. e., 107 barrels of oil and 428 MCF per day of gas. Gulf



A DIVISION OF GULF OIL CORPORATION

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will further seek authority to establish a procedure for administrative approval of future applications for similar down-hole commingling authority on these three leases.

Yours very truly,


R. F. WARD, JR.

CFK:mw

cc: New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico 88240

James E. Sperling
Post Office Box 2168
Albuquerque, New Mexico 87100

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

(Handwritten initials)
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5706

Order No. R- 5275

RWS
APPLICATION OF GULF OIL CORPORATION
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

(Handwritten signature)
ORDER OF THE COMMISSION

(Handwritten signature)
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 7,
19 76, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 19 76, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Gulf Oil Corporation, is the
owner and operator of the William A. Ramsay (NCT-B) Well, No. 6, located
in Unit H of Section 25, Township 21 South, Range
36 East, NMPM, Lea County, New Mexico.

(3) That ~~each of~~ said well is presently completed in and
producing from the Drinkard formation only.

(4) That the applicant proposes to perforate ~~each of~~ said
well to also produce from the Blinebry formation, and to com-
mingle said Blinebry production with the Drinkard production in
the wellbore of ~~each of~~ said well.

(5) That from the Drinkard formation, ~~each of~~ said well
is capable of marginal production only.

(6) That it is expected that the Blinebry formation will
be capable of marginal production only upon completion of said
wells in said formation.

(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 in the aforesaid wells is expected to be 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 ~~any of~~ the subject wells ~~are~~ is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in ~~each of~~ the subject wells, the operator, upon completion of the wells, should consult with the supervisor of the Hobbs district office of the Commission to determine an allocation formula.

William A. Ramsay (NCT-B) Lease.

(11) That an administrative procedure should be established whereby additional wells may be completed in the manner described above on applicant's ~~H. T. Mattern and Harry Leonard Leases.~~

(12) That the authority for downhole commingling of production in the wellbore of the subject wells or in wells approved by administrative procedure should be subject to rescission by the Secretary-Director of the Commission and the requirement for down-hole separation equipment in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which render down-hole commingling inadvisable.

IT IS THEREFORE ORDERED:

William A. Ramsay (NCT-B) Well No. 6, located

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle Blinbry and Drinkard production within the wellbore of its ~~H. T. Mattern Wells Nos. 4 and 8 and its Harry Leonard Well No. 17, located, respectively, in Unit H of Section 25, Township 24 South, Range 26 East, Unit E of Section 6, Township 22 South, Range 27 East, and Unit G of Section 36, Township 21 South, Range 36 East, NMP M, Lea County, New Mexico.~~

(2) That upon completion of ~~each of~~ said wells to produce from both the Blinbry and Drinkard formations, the applicant shall consult with the supervisor of the Hobbs district office of the Commission to determine the proper formula for allocation of oil and gas production to each zone open in the wells.

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

(William A. Ramsay (NKT-B) Lease, located in)

(4) That the Secretary-Director of the Commission may authorize the completion of other wells on applicant's ~~H. W. Mathews and Harry Leonard Leases~~ in Section 25, Township 21 South, Range 36 East, NMPN, ~~Section 1, Township 22 South, Range 26 East, NMPN, and Sections 6 and 7, Township 22 South, Range 37 East, NMPN~~, Lea County, New Mexico, in the manner described in Order No. (1) above and subject to the provisions of this order when the application for such commingling is filed in accordance with the applicable provisions of Rule 303 C 2 of the Commission Rules and Regulations.

(5) That the Secretary-Director of the Commission shall have authority to rescind downhole commingling authority for ~~any~~ well approved for such commingling by this order or pursuant to the provisions of Order No. (4) above in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which in his opinion render downhole commingling inadvisable.

(6) 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

PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/