

CASE 3024: Application of DEANE
H. STOLFE for a non-standard unit,
a dual completion and commingling.

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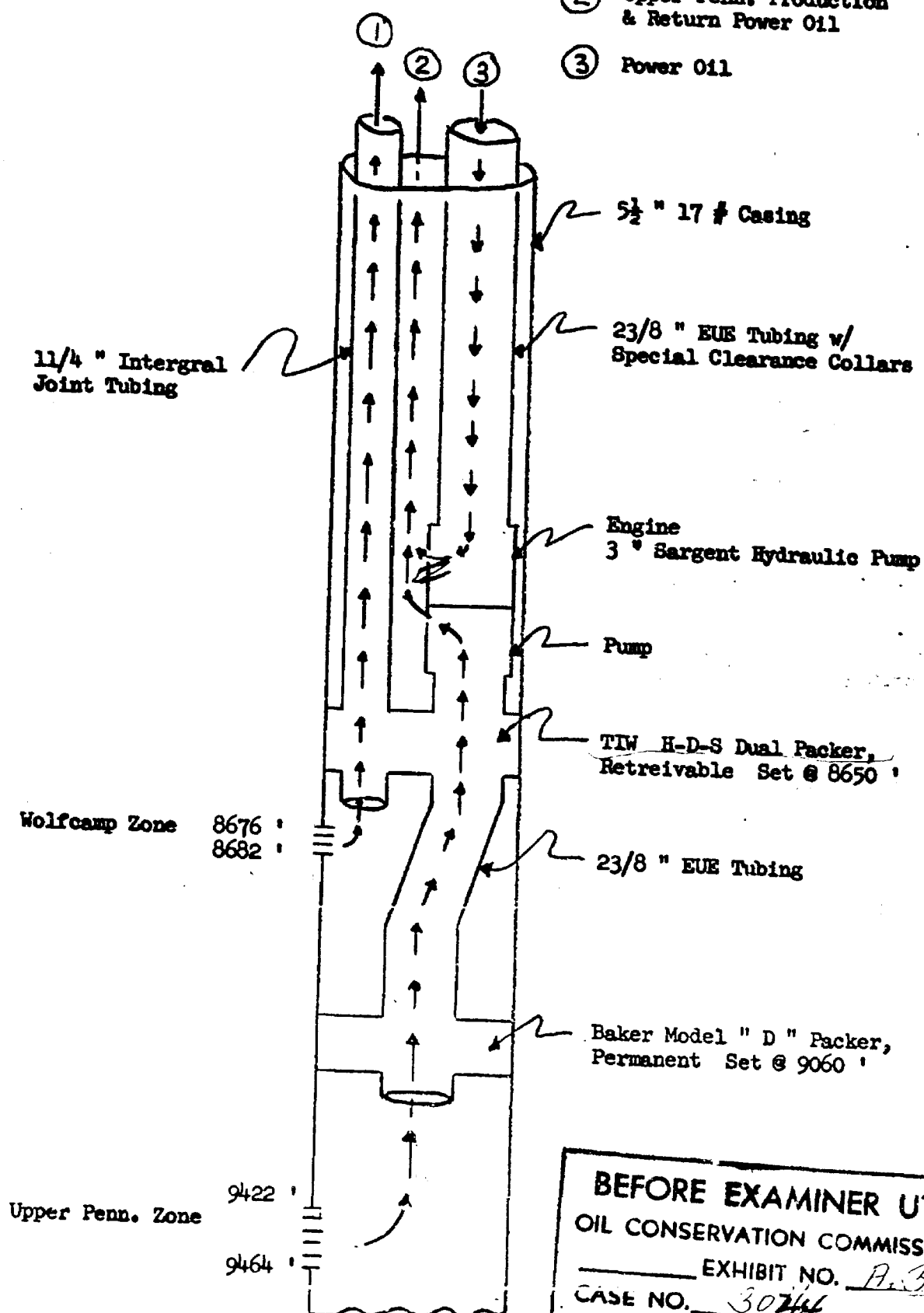
CASE No.
3024

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

Deane H. Stoltz State 262 # 1
 22 - 11 - 33 Lea County, N. Mexico

1950
 Schematic Diagram
 Proposed Dual Completion

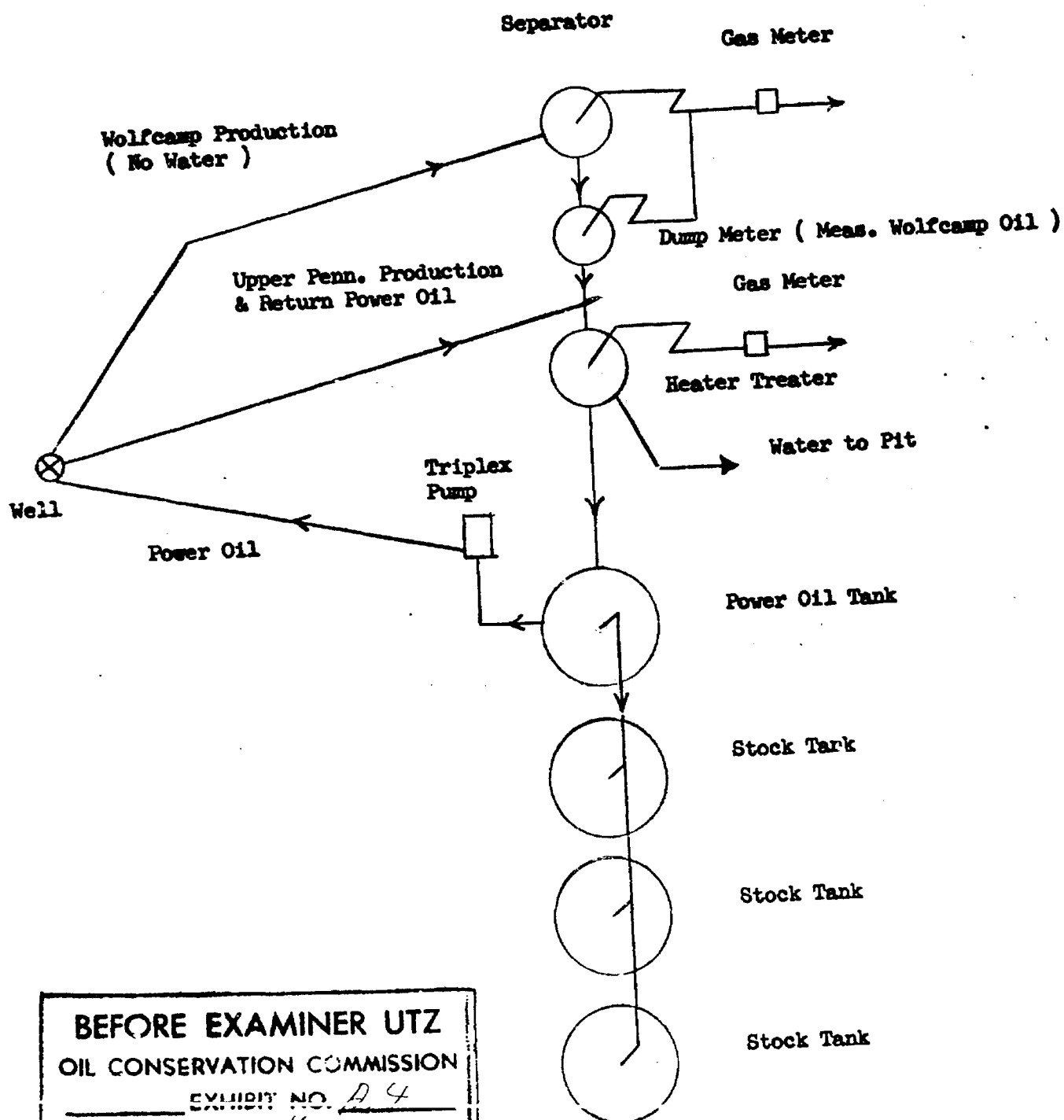
- ① Wolfcamp Production (Flowing)
- ② Upper Penn. Production & Return Power Oil
- ③ Power Oil



BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. A.3
 CASE NO. 30764

Deane H. Stoltz State 262 # 1
22-11-33 Lea County, N. Mexico

Schematic Diagram
Proposed Commingling Installation



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. A 4
CASE NO. 3074

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 963-3971

ALBUQUERQUE, N. M.
PHONE 243-4691

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

Sept 22, 1967

EXAMINER HEARING

IN THE MATTER OF: Application of Deane H. Stoltz for approval of a non-standard unit, a dual completion, and commingling, Lea County, New Mexico.

Case No. 3024

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The Hearing will come to order. We will call Case Number 3024.

MR. DURRETT: Application of Deane H. Stoltz for approval of a non-standard unit, a dual completion, and commingling, Lea County, New Mexico

MR. KELLAHIN: Jason Kellahin, of Kellahin and Fox,



Santa Fe, representing the Applicant. We have one witness I would like to have sworn, please.

(Witness sworn.)

MR. UTZ: Are there other appearances in this case?

(Whereupon, Applicant's Exhibits 1 through 4, marked for identification.)

JACK E. BROWN,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Jack E. Brown.

Q By whom are you employed and in what position, Mr. Brown?

A Deane H. Stoltz, as production engineer.

Q Have you ever testified before the New Mexico Oil Conservation Commission?

A No, I haven't.

Q For the benefit of the Examiner, would you state briefly your education and experience as a Petroleum Engineer

A I received my B. S. Degree from Texas A & M in petroleum engineering in 1950. I have worked continuously since that time as a production engineer.

Q Where have you worked?



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A With Texaco for two years in Venezuela. J. E. Jones Drilling Company as a production engineer for four years in Midland; Deane H. Stoltz for two years, and Birdwell Oil Company out of Wichita Falls for four years, and as a production engineer for each one.

Q Now, about your work for Deane H. Stoltz, are you responsible in the area involved in the Application?

A I am.

MR. KELLAHIN: Are the witnesses' qualifications acceptable?

MR. UTZ: Yes, they are.

Q (By Mr. Kellahin) Mr. Brown, are you familiar with the Application of Deane H. Stoltz in Case Number 3024?

A Yes, sir.

Q Would you state briefly what is proposed in this Application?

A I propose to receive a non-standard unit in Section 22, Township 11 South, Range 33 East, comprising the Southwest quarter of the Northeast quarter and Northwest quarter, Southeast quarter. This is the total acreage comprising that lease, and it does not conform with the standard quarter section.

Q Now, in addition to that, it is proposed to make a dual completion?

A To complete the Wolfcamp zone, which is producing in the



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field with the Upper Pennsylvanian zone, which is also producing in the field.

Q And do you propose to commingle the production?

A We propose to commingle the production in a common tank battery.

Q Has a non-standard unit been approved by this Commission for the North Bagley-Upper Pennsylvanian Pool?

A Yes, sir, it was approved by the Commission in the past two years in the Pennsylvanian Pool, in the same acreage involved.

Q And this Application only pertains to the North Bagley-Wolfcamp insofar as the non-standard unit is concerned?

A Yes, sir.

Q Now, referring to what has been marked as Exhibit Number One; would you identify that Exhibit and state what is shown on there?

A This is the land plat showing the acreage in the North Bagley field and the ownership of the individual acreage.

Q And with the ownership of the acreage, as it is shown on that plat, will any operator be left with any acreage he cannot dedicate to a well?

A No, sir.

Q Now, referring to what has been marked as Exhibit Number Two, would you identify that Exhibit and discuss the information on that?



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A This is a construction map contoured on top of the Wolfcamp zone which is producing in the field showing that the acreage we wish to make as a non-standard unit should be productive to all formations, as it is in the crest of the field.

Q In your opinion, then, all of the acreage you propose to dedicate to this well in the Wolfcamp will be producing from the Wolfcamp?

A Yes, sir.

Q Has the well been completed yet?

A No, sir, we have waited the outcome of the Hearing.

Q And has the well been completed in the Upper-Pennsylvanian Pool?

A Yes, sir, the well is now flowing in the Upper Pennsylvanian.

Q It is a flowing well?

A Yes, sir.

Q Now, directing your attention to the Exhibit Number Three, would you discuss the information shown on that Exhibit?

A This Number Three is a schematic diagram of the proposed dual completion, and the mechanics of it.

We propose to -- assuming that at the time being this flowing well will cease to flow in the near future and we will have to put on an artificial lift, we propose to use a bottom hole drilling pump, casing pump, and it is proposed for the Upper-



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Pennsylvanian. Production will be the one on the pump.

We propose to pump the power oil all down the two and three-eighths inch upset tubing string, and return the power oil in the Upper Pennsylvanian production up the casing to its annulus. At the same time the Wolfcamp zone, which is a water free flowing zone, will be produced up a small inch and a quarter string of tubing, it will be isolated by two packers.

Q What type of packers are you using?

A The bottom packer separating the two zones will be a permanent type packer, Model D, and the upper packer, which we placed above the Wolfcamp zone will be a retrievable dual packer. The trade name will be Tidhst.

Q Now, in your opinion, will they effectively separate the two producing horizons?

A Yes, sir.

Q Will there be any possibility of commingling the two horizons in the well bores?

A No, sir.

Q And is this an effective type of operation to use a hydraulic pump on as you propose here?

A Yes, sir, to move the fluid at that depth, it will be the most practical.

Q This will have to be done in the very near future?

A Yes, sir.



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Q And when you make that, are you making provisions for the hydraulic pump at that time?

A That will be maintained to do the work.

Q Now, turning your attention to the Exhibit Number Four, would you discuss the information shown on that Exhibit?

A Exhibit Four is a schematic diagram showing proposed surface installation for commingling the two producing zones.

We propose for the flowing Wolfcamp zone, which is water free to go through a separator from which its gas will be metered and then it will be passed through a dump meter for measuring the net production, or the production from the Wolfcamp zone.

After the Wolfcamp production has been measured through the dump meter it will be commingled with the other producing zone from the Upper Pennsylvanian and go through a heater treater. Then all of the production from the two zones plus the running power oil will be passed through the meter into the stock tanks.

Q How will you account for the production, then, from the Upper Pennsylvanian zone?

A The production from the Upper Pennsylvanian zone will be the difference in the gross production from the two zones and the metered production from the Wolfcamp zone.

Q You are using the power oil to operate the pump in the



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Upper Pennsylvanian Pool; are you not?

A Yes, sir.

Q Now, how will that oil be accounted for, then?

A There is no loss there, it is a continuous cycle, and it just doesn't come into the net production.

Q The excess of the oil produced from the two zones, then, will be the oil from the Upper Pennsylvanian, if you deduct the dump meter recording?

A Yes, sir.

Q Is that correct?

A Yes, sir.

Q So, that you, in your opinion, you would have an accurate accounting for the oil producing from the Upper Pennsylvanian Pool from this system?

A Yes, sir.

Q Will the factor of shrinkage affect the amount of production and be so recorded in your opinion?

A Let me do a little thinking. It would not change it over a single installation. It would be the same as I have said in a single installation.

Q It would be just the same. So, you would account for the production as though it was a single completion, as it now is?

A Yes, sir.



Q And the production from the Upper Pennsylvanian would be measured in the same fashion it is now being measured in; is that correct?

A It would be measured in the same way.

Q All right. Now, do you have any information on the gravities of the fluids from the two zones?

A They are very similar, approximately 47 degree gravity.

Q And do you have any information on the gas-oil ratios?

A The Upper Pennsylvanian ratios have between a thousand and fifteen hundred, and the offset production from the Wolfcamp will run two to four thousand.

Q Now, will the gas be marketed?

A Yes, sir, it is marketed in the area.

Q Will it be commingled or marketed separately?

A It will be marketed separately.

Q There is no problem of commingling the two?

A No, sir.

Q Do you have the information measuring the pressures in the two zones?

A There is no bottom hole pressure.

Q Do you anticipate that any problem will be created by it, the pressure differential in the two zones?

A No, sir, there will be packers separating the zones.

Q Were Exhibits One through Four inclusive, prepared by



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you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibits One through Four inclusive.

MR. UTZ: Without objection, Exhibits One through Four, I believe they are marked A-One through Four.

MR. KELLAHIN: A-One through Four.

MR. UTZ: They will be admitted into the record in this case.

(Whereupon, Applicant's Exhibits 1 through Four are admitted into evidence.)

MR. KELLAHIN: That is all I have on Direct Examination.

CROSS EXAMINATION

BY MR. UTZ:

Q What type of Crude are these zones producing?

A Sweet.

Q Both Sweet?

A Yes, sir.

Q I believe you said you had nothing on pressures, no idea?

A No, sir, I have bottom hole flowing pressure in the Upper Pennsylvanian, which is 1700 pounds, bottom hole. I do not have a shut-in pressure.

Q It would be something in excess of that?



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Q Do you have nothing about offset pressure in the two zones?

A There is not any pressure information available. The present Wolfcamp producers are flowing wells, and their surface pressures are running approximately two or three hundred pounds.

Q Do you have any idea what the operating separator pressure is going to be between the Wolfcamp separator and the Pennsylvanian separator?

A It runs about twenty-five pounds.

Q Both of them?

A Yes, sir.

Q So then, any gas that might flow with your oil and solution from your Wolfcamp separator will not be liberated in your Pennsylvanian separator, then?

A No, sir.

Q So, you would not get any erroneous meeting?

A As a matter of fact the way the sketch is shown, after that gas leaves the separator, the Wolfcamp gas leaves the separator, any gas carried also goes through a Dump Meter, which accounts as a second separator to further involve any gas, and it all goes through the meter of that one zone.

Q Do you have any idea what your shrinkage might be --

A No, sir.



Q Do you think it will run somewhere from one to two percent?

A I think it would be less than one percent.

Q How do you propose to account for this shrinkage and your volumes, particularly your volume of Pennsylvanian Oil?

A I had not proposed accounting for it. I don't account for it as a single producer, and I don't --

Q Of course, there is no need for accounting for it as a single producer, is there?

A I would think that your big shrinkage would be coming from your shrinkage that would take place going through your separator, the bulk of the shrinkage going through the separator. It is all metered after it goes through the separator, and it will be a negligible amount of shrinkage to account for.

Q After that point, you don't think you would have any shrinkage in your stock tanks?

A Very, very slight, not enough to be accountable.

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

MR. DURRETT: Yes.

MR. UTZ: Mr. Durrett.

BY MR. DURRETT:

Q Mr. Brown, I believe that you stated that your proposed non-standard unit encompasses or is all on a single lease. The question I have, does it encompass an entire lease, or is it just



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a partial lease?

A No, sir, that lease would be its entire lease there.

Q It is an entire State lease?

A Yes, sir.

Q Yes.

A Let me clarify that. There are two other eithties that were acquired with that that may and may not be developed at the time being. There are two eighties that would make up that lease.

Q This just encompasses part of the lease?

A Yes.

Q Where are the other two eighties?

A It would be the --

Q The north eighty and the south eighty on your -- What Exhibit is this?

A "A Two."

Q Directly north and south of your --

A It is Stoltz lease. It is the south half of the southwest quarter of 22, and then the south half of the northeast quarter of 27. The additional acreage in that lease.

Q You don't have any production on those --

A No, sir.

Q -- portion, and do you intend to have production?

A That can't be answered at this time.



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Q There is one beneficiary involved, one State beneficiary under the lease, or don't you know?

A Yes, sir.

Q One additional question, Mr. Brown. I notice you have a designation or guide on your area, colored green, on your Exhibit A Two. What does that indicate?

A That was part of the original lease, but it has been separated as of now. It is not the same lease any longer.

Q You mean separated by the State?

A No, by the individual, different operator.

Q This was, I guess, all your company has of that State lease, would that be correct?

A Yes, sir.

Q Well, one other question along that line. Does Mr. Guy own the rest of that State lease, or did he assign it to somebody else?

A He owns the surface on it.

Q He just has the surface on it?

A Yes.

Q Well, as far as the royalty, does your company --

A The State has the royalty on it.

Q I don't mean royalty, as far as the mineral interest, does your company have any other working interests outside of your proposed non-standard unit?



A Yes, sir, we have working interests in the Guy lease or reserve interests. As of now, we do not have a working interest, a reserve interest.

MR. DURRETT: That's all.

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q This is the same unit that was approved for Pennsylvanian production; is it not?

A Yes, sir. At that time, we got the non-standard unit for the Guy lease, as their representative there at Western.

MR. UTZ: Is there any division of interest between the two zones?

A No, sir.

MR. UTZ: The royalty and the over-riding royalty, I guess, is the same?

a Yes, sir.

MR. UTZ: Are there any further questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any other statements in this case? The case will be taken under advisement.

* * * *

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, CHARLES FLOYD WALKER, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcrip of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal of Office, this 18th day of May, 1964.

Charles Floyd Walker
NOTARY PUBLIC

My Commission Expires:
March 25, 1968.

I do hereby verify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3.2.2-4, heard on or about *April 19*, 196*4*.
Thurston, Examiner
New Mexico Oil Conservation Commission



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CASE No. 3024

Order No. R-2697

ANNE H. STOLTZ
 NON-STANDARD
 LATION, AND
 COUNTY, NEW

ORDER OF THE COM

BY THE COMMISSION:

NOW, on this _____ day of May, 1964, the Commission,
a quorum being present, having considered the ~~apposition of the~~ testimony,
~~evidence adduced,~~ and the recommendations of the Examiner,
_____, and being fully advised in the premises,

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

(3) That the applicant ~~further~~^{also} seeks authority to complete ~~the~~^{his} said State 262 Well No. 1 as a dual completion (conventional) to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic

pump with separation of the zones by means of a permanent type packers set at approximately 8,906 feet.

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

(5) That, ~~by~~ Order No. R-2674, ^{established} an 80-acre non-standard oil proration unit in the North Bagley-Upper Pennsylvanian Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, ~~has been established.~~ Said unit to be dedicated to the Deane H. Stoltz State 262 Well No. 1.

(6) That the applicant ^{also} ~~further~~ seeks authority to commingle the North Bagley-Wolfcamp and North Bagley-Upper Pennsylvanian ~~pool~~ production from said State 262 Well No. 1 ^{into a common tank battery} ~~into a common tank battery~~ ^{after separately metering the Wolfcamp production and determining the production from the North Bagley-Upper Pennsylvanian Pool by means of the subtraction method and separately metering the gas production from each pool.} ~~computing the production from the North Bagley-Upper Pennsylvanian Pool by means of the subtraction method~~

(6) That the proposed 80-acre non-standard oil proration unit in the North Bagley-Wolfcamp ~~Pool~~ Pool can be efficiently and economically drained and developed by the Deane H. Stoltz State 262 Well No. 1.

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

~~(8) That the subject installation should be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities."~~

^{Approval of the proposed non-standard unit and dual completion will}
(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, and to otherwise prevent waste and protect correlative rights, the subject application should be approved.

(9) That approval of the proposed commingling installation will result in convenience and economy to the operator, will be in the interest of conservation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the North Bagley-Wolfcamp Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, is hereby established ~~said unit shall be~~ ^{and} dedicated to the Deane H. Stoltz State 262 Well No. 1, located in Unit G of said Section 22.

(2) That the applicant, Deane H. Stoltz, is hereby authorized to complete ^{his} ~~said~~ State 262 Well No. 1 as a dual completion (conventional) to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from

the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic pump *with separation of the zone by means of packers set at approximately 8650 feet and 9060 feet*

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the North Bagley-Upper Pennsylvanian Pool.

(3) That the applicant is hereby authorized to commingle the North Bagley-Wolfcamp and North Bagley-Upper Pennsylvanian

from this
Pool production ~~from said~~ State 262 Well No. 1 into a common tank battery *after separately metering the North Bagley and Wolfcamp production* computing the production from the North Bagley-

Upper Pennsylvanian Pool by ~~means of~~ the subtraction method *and separately metering the gas production from each pool;*
PROVIDED HOWEVER, that said installation shall be operated

in accordance with the provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities."

(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.

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX

ATTORNEYS AT LAW

54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO

TELEPHONES
983-9396
982-2991

1964 MAR 18 AM 10 20

March 17, 1964

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Gentlemen:

Enclosed you will find original and two copies of application of Deane H. Stoltz for a non-standard proration unit and dual completion as more fully set out in enclosed application, for filing. Schematic diagrams will be furnished later.

Very truly yours,

Jason W. Kellahin

JASON W. KELLAHIN

jwk:mas
enclosures

DOCKET M. JED

Date 3-17-64

DOCKET MAILED

Date 3/27/64

Case 3024

Docket No. 12-64

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 29, 1964

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

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

CASE 3015 (Continued from the March 25, 1964 Examiner Hearing):

Application of Lone Star Producing Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Atlantic State Well No. 1 located in Unit G of Section 30, Township 17 South, Range 36 East, Lea County, New Mexico, to produce oil from an undesignated San Andres Pool and from undesignated Abo Detritus through parallel strings of 2-3/8 inch tubing.

CASE 3024 (Continued from the April 8, 1964 Examiner Hearing):

Application of Deane H. Stoltz for approval of a non-standard unit, a dual completion, and commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 80-acre unit in the North Bagley-Wolfcamp Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, Lea County, New Mexico, approval of the dual completion (conventional) of its Deane H. Stoltz State 262 Well No. 1, located in Unit G of said Section 22, to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic pump and authority to commingle production from the North Bagley-Wolfcamp and North Bagley-Pennsylvanian Pools into a common tank battery, computing production from the North Bagley-Upper Pennsylvanian Pool by the subtraction method.

CASE 3016 (Continued from the March 25, 1964 Examiner Hearing):

Application of Texaco, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules, including a provision for 80-acre proration units, for the Vacuum Upper-Pennsylvanian Pool in Sections 25 and 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 3031: Application of Continental Oil Company to revise the vertical limits of the Blinebry Oil Pool and Terry Blinebry Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Blinebry Oil Pool and Terry Blinebry Pool to encompass all of the Blinebry formation, Lea County, New Mexico.

CASE 3032: Application of Robert G. Hanagan for force-pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Indian Hills-Upper Pennsylvanian Gas Pool underlying all of Section 32, Township 21 South, Range 24 East, Eddy County, New Mexico.

CASE 3033: Application of Cherry Brothers and Cabot Corporation for the creation of a new oil pool and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Wolfcamp production for its Austin State Well No. 1, located in Unit F of Section 19, Township 14 South, Range 36 East, Lea County, New Mexico, and for the establishment of temporary pool rules therefor, including a provision for 80-acre oil proration units.

CASE 3034: Application of Shell Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen and Grayburg formations through nine wells in Sections 14 and 23, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 3035: Application of Shell Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 22, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to its Turner Well No. 2, located in Unit L of said Section 22.

CASE 3036: Application of Curtis J. Little for a pressure maintenance project, San Juan, County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Gallup formation underlying its Navajo Indian Lease in Sections 21, 22, 27 and 28, Township 32 North, Range 17 West, Many Rocks Gallup Oil Pool, San Juan County, New Mexico. Initial injection will be through three wells located in Units D and O of Section 27 and Unit I of Section 28. Applicant further seeks the promulgation of special rules governing the operation of said project.

MAIN OFFICE OCC

1964 MAR 13 AM 8:20

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
DEANE H. STOLTZ FOR APPROVAL OF A
NON-STANDARD PRORATION UNIT, DUAL
COMPLETION OF HIS STATE 262 WELL
NO. 1, LOCATED IN THE SW/4 NE/4 of
SECTION 22, T. 11 S., R. 33 E., LEA
COUNTY, NEW MEXICO; AND FOR PERMIS-
SION TO COMMINGLE PRODUCTION FROM THE
NORTH BAGLEY-WOLFCAMP AND THE NORTH
BAGLEY-UPPER PENNSYLVANIAN POOLS.

No. 3024

A P P L I C A T I O N

Comes now Deane H. Stoltz and applies to the Oil Conservation
Commission of New Mexico:

1. For the formation of a non-standard proration unit consisting
of the SW/4 NE/4, NW/4 SE/4 of Section 22, Township 11 South, Range
33 East, N.M.P.M., Lea County, New Mexico, for production from the
North Bagley-Wolfcamp pool.

2. For permission to dually-complete the Dean H. Stoltz State
262 Well No. 1 for production from the North Bagley-Upper Pennsylvanian
Pool, and the North Bagley-Wolfcamp Pool. Applicant proposes to com-
plete the well through the use of dual packers, and install 1 1/4-inch
tubing for production from the Wolfcamp formation; 2 3/8-inch upset
tubing will be installed to the Upper Pennsylvanian formation, and
production from that formation will be by use of a Kobe pump, power
oil being injected through the 2 3/8-inch tubing, with production of
the return oil and production through the casing-tubing annulus.

3. For permission to commingle production from the North Bagley-
Wolfcamp and the North Bagley-Upper Pennsylvanian Pools in a common
tank battery. Applicant proposes to meter production from the North
Bagley-Wolfcamp Pool by a dump-type meter, and deduct this figure from
the total production to arrive at the North Bagley-Upper Pennsylvanian
Pool. Gas from each pool will be metered separately.

MAIN OFFICE OCC

1964 MAR 18 AM 8:20

WHEREFORE, applicant prays that this matter be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law the Commission enter its order granting the relief prayed for.

Respectfully submitted,

DEANE H. STOLTZ

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico

Case 3024

Heard 4/29/64

Rec. 4/29/64

1. Grant Deane H. Stott, a Non U.S.
unit in the G. Bagley-Wolfcamp oil
pool consisting of SW/4 NE/4 • NW/4 SE/4
sec. 22 - 11S - 33E.

2 Grant permission to Dual Complete
this state "262" #1, 1980/N+E lines sec. 22
11S-33E. Conventional Dual.

3. Grant permission to commingle
M. Bagley - W.C. with G. Bagley.
Penn into a common tank Battery.
The W.C. oil will be metered with
a dump type meter. After W.C. is
metered it will be commingled with
M. Bagley - Penn. oil in a common
T.B. The Penn. Prod will be
determined by subtracting W.C. Prod.
from T.B. measurement.
Gas from both zones will be
metered separately.

J. E. Stott,

State of New Mexico
Oil Conservation Commission



May 8, 1964

Re: Case No. 3024
Order No. R-2699
Applicant:
Deane H. Stoltz

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

A. L. Porter, Jr.

Carbon copy of order also sent to:

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. 3024
ORDER No. R-2699**

**APPLICATION OF DEANE H. STOLTZ
FOR APPROVAL OF A NON-STANDARD
UNIT, A DUAL COMPLETION, AND
COMINGLING, LEA COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 29, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of May, 1964, 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, Deane H. Stoltz, seeks approval of an 80-acre non-standard oil proration unit in the North Bagley-Wolfcamp Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, to be dedicated to his State 262 Well No. 1, located in Unit G of said Section 22.

(3) That the applicant also seeks authority to complete his State 262 Well No. 1 as a dual completion (conventional) to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic pump with separation of the zones by packers set at approximately 8650 feet and 9060 feet.

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CASE No. 3024

Order No. R-2699

(4) That the applicant also seeks authority to commingle the North Bagley-Wolfcamp and North Bagley-Upper Pennsylvanian production from his State 262 Well No. 1 into a common tank battery after separately metering the Wolfcamp production and determining the Upper Pennsylvanian oil production by the subtraction method and separately metering the gas production from each pool.

(5) That Order No. R-2674 established an 80-acre non-standard oil proration unit in the North Bagley-Upper Pennsylvanian Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, dedicated to the Deane H. Stoltz State 262 Well No. 1.

(6) That the proposed 80-acre non-standard oil proration unit in the North Bagley-Wolfcamp Pool can be efficiently and economically drained and developed by the Deane H. Stoltz State 262 Well No. 1.

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

(8) That approval of the proposed non-standard unit and dual completion will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

(9) That approval of the proposed commingling installation will result in convenience and economy to the operator, will be in the interest of conservation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the North Bagley-Wolfcamp Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Deane H. Stoltz State 262 Well No. 1, located in Unit G of said Section 22.

(2) That the applicant, Deane H. Stoltz, is hereby authorized to complete his State 262 Well No. 1 as a dual completion (conventional) to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from

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CASE No. 3024

Order No. R-2699

the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic pump with separation of the zones by packers set at approximately 8650 feet and 9060 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the North Bagley-Upper Pennsylvanian Pool.

(3) That the applicant is hereby authorized to commingle the North Bagley-Wolfcamp and North Bagley-Upper Pennsylvanian production from his State 262 Well No. 1 into a common tank battery after separately metering the North Bagley-Wolfcamp production and computing oil production from the North Bagley-Upper Pennsylvanian Pool by the subtraction method and separately metering the gas production from each pool;

PROVIDED HOWEVER, that said installation shall be operated in accordance with the provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities."

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

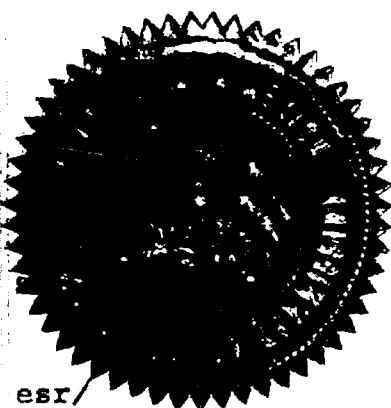
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. B. Walker
E. B. WALKER, Member

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



esr

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 8, 1964

EXAMINER HEARING

IN THE MATTER OF: Application of Deane H.
Stoltz for approval of a non-standard unit,
dual completion, and commingling, Lea County,
New Mexico.

Case No. 3024

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Phone 243-6691

Albuquerque, New Mexico

Suite 1120 Simms Building

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 8, 1964

EXAMINER HEARING

IN THE MATTER OF: Application of Reane H. Stoltz)
for approval of a non-standard unit, dual com-)
pletion, and commingling, Lea County, New Mexico)
Applicant, in the above styled cause, seeks)
approval of a non-standard 80-acre unit in the)
North Bagley-Wolfcamp Pool comprising the SW/4)
NE/4 and NW/4 SE/4 of Section 22, Township 11)
South, Range 33 East, Lea County, New Mexico,)
approval of the dual completion (conventional)
of its Reane H. Stoltz State 262 Well No. 1,)
located in Unit G of said Section 22, to produce)
oil from the North Bagley-Wolfcamp Pool through)
1 1/4 inch tubing and to produce oil from the North)
Bagley-Upper Pennsylvanian Pool through the cas-)
ing-tubing annulus by means of a hydraulic pump)
and authority to commingle production from the)
North Bagley-Wolfcamp and North Bagley-Pennsyl-)
vanian Pools into a common tank battery, comput-)
ing production from the North Bagley-Upper)
Pennsylvanian Pool by the subtraction methods.)

Case No. 3024

BEFORE: Daniel S. Vatter, Examiner

TRANSCRIPT OF HEARING



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

MR. NUTTER: We will call Case 3024.

MR. PURRETT: Application of Peano H. Stoltz for approval of a non-standard unit, a dual completion, and commingling, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin. We would like to ask that this case be continued to the Examiner Hearing to be held on April 29th.

MR. NUTTER: Case 3024 will be continued to the Examiner Hearing on April 29th.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

I, AFA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 13th day of April, 1964.

Afa Dearnley
Notary Public - Court Reporter

My Commission Expires:
June 19, 1967

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3024, heard by me on 4/8, 1964.

[Signature], Examiner
New Mexico Oil Conservation Commission

