

CASE 5987: GETTY OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO

Case Number

5987

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
20 July 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company
for downhole commingling, Rio
Arriba County, New Mexico.

CASE
5987

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Chester A. Blodget, Esq.
P. O. Box 1650
Tulsa, Oklahoma 74102

For Minel and Jack Cos:

Melvin D. Rueckhaus, Esq.
319 - 7th Street
Albuquerque, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

GERALD BROWN

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1 MR. STAMETS: We'll call the next case, 5987.

2 MS. TESCHENDORF: Case 5987. Application of
3 Getty Oil Company for downhole commingling, Rio Arriba County,
4 New Mexico.

5 MR. BLODGET: Mr. Examiner, I'm Chester Blodget,
6 representing Getty, and we'll present the evidence. I believe
7 Lewis White has entered an appearance as local counsel.

8 MR. STAMETS: Yes, that is correct.

9 MR. BLODGET: And we'll have one witness, Mr.
10 Gerald Brown.

11 MR. STAMETS: Stand and be sworn, please. Are
12 there any other appearances in this case?

13 MR. RUECKHAUS: Yes, Melvin Rueckhaus, Albuquerque,
14 New Mexico, representing Minel and Jack Cos, who are listed
15 as interested parties. I don't know whether we are opposed
16 or in favor.

17 MR. STAMETS: Okay, and what was your name, sir?

18 MR. RUECKHAUS: Rueckhaus, spelled R-U-E-C-K-H-A-U-S.

19 MR. STAMETS: One more time.

20 MR. RUECKHAUS: R-U-E-C-K-H-A-U-S.

21 MR. STAMETS: What was your first name, sir?

22 MR. RUECKHAUS: Melvin.

23 MR. STAMETS: And are you an interest owner in the
24 acreage?

25 MR. RUECKHAUS: No. I'm an attorney in Albuquerque.

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1 MR. STAMETS: Oh, I see.

2 MR. RUECKHAUS: 319 - 7th.

3 MR. STAMETS: Thank you. I'd like to have the
4 witness stand and be sworn, please.

5 (Witness sworn.)

6
7 GERALD D. BROWN

8 being called as a witness and being duly sworn upon his oath,
9 testified as follows, to-wit:

10
11 DIRECT EXAMINATION

12 BY MR. BLODGET:

13 Q Mr. Brown, would you state your name, your occu-
14 pation, by whom you're employed?

15 A My name is Gerald Brown. I'm a Senior Petroleum
16 Engineer with Getty Oil Company in the Denver office.

17 Q And have you previously testified before this Com-
18 mission as a petroleum engineer and your qualifications been
19 accepted?

20 A I have.

21 MR. BLODGET: We tender the qualifications of
22 this witness.

23 MR. STAMETS: The witness is considered qualified.

24 Q (Mr. Blodget continuing.) Now, Mr. Brown, are you
25 familiar with the application in Case Number 5987?

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1 A. Yes.

2 Q. What, briefly, is the nature of the application?

3 A. This is an application for -- asking for an order
4 allowing Getty Oil Company to commingle the production from
5 the Dakota, Gallup, and Mesaverde formations within the well-
6 bore of its newly completed C. B. Roberts -- or rather, C. W.
7 Roberts Well Number Five, and also its abandoned Dakota
8 formation producers, the C. B. -- C. W. Roberts Number Three,
9 which was a former -- which is now a Mesaverde completion;
10 the C. W. Roberts Number Four, which is now a Gallup comple-
11 tion; and the Lydia Rentz Number Four, which is now a Mesa-
12 verde completion.

13 Q. Now, were copies of this application and a notice
14 of setting sent to all offsetting operators, including Coast-
15 line Petroleum and Continental Oil Company?

16 A. Yes.

17 Q. Now, is Getty Oil Company the sole owner and oper-
18 ator of the C. W. Roberts lease, which is in Sections 17 and
19 18, and their adjoining Lydia Rentz lease in Sections 19 and
20 20, all in Township 25 North, Range 3 West, Rio Arriba County,
21 New Mexico?

22 A. They are one hundred percent working owners in
23 both of these leases and the royalty is the same.

24 Q. I call your attention to what has been marked as
25 Exhibit Number One. Was that exhibit prepared by you or under

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1 your direction?

2 A. Yes.

3 Q. Would you identify that exhibit and discuss same,
4 please?

5 A. This is a plat of the area which shows the offset
6 operators and also shows the Getty acreage colored in green.
7 The C. W. Roberts Well Number Five is shown in red. It is
8 the primary well in this application. Also included in the
9 application are the C. W. Roberts Three, which is coded in
10 yellow, indicating former Dakota production; the C. W.
11 Roberts Number Four, which is coded in blue, indicating a
12 former Gallup producer; the Lydia Rentz Number Four coded in
13 yellow, indicating a former Dakota producer. All four of
14 these wells are included in this application for commingling.

15 Q. All right. Now, do you have a log on, I believe,
16 it's the Roberts Number Five well?

17 A. Yes, this is Exhibit Number Two. This is an in-
18 duction electric log on the well, a five-inch steel. Super-
19 imposed upon this log is the present Dakota completion in-
20 terval with the treatment indicated. Also shown is the present
21 Gallup completion with the treatment shown. Also shown is
22 the proposed Mesaverde completion. Also throughout the log
23 are the various formation tops and their sub-sea elevations.

24 Q. Now, I call your attention to what has been marked
25 as Exhibit Number Three. Was that exhibit prepared by you

1 or under your direction?

2 A. Yes.

3 Q. And if so, would you discuss the same and identify
4 it, please?

5 A. Exhibit Number Three is a plot of the actual
6 well test on the C. W. Roberts Number Five, starting in -- on
7 the 21st of March of this year when the well was completed
8 in the Dakota formation. This test period was concluded on
9 the 16th of May, when the well was averaging -- or had de-
10 clined to 22 barrels of oil per day and was still declining
11 at that point.

12 The next date sequence shows the Gallup formation
13 test period, which goes from the 23rd of May to the present
14 date. The last recorded test was on the 15th of July, and
15 the well was making 8 barrels of oil per day.

16 Q. Now, have these various formations been fraced and
17 tested and found capable of only low rates of production?

18 A. Yes, the Dakota formation was sand fraced with
19 35,000 pounds of sand and the Gallup formation was sand fraced
20 with 63,000 pounds of sand, and even with these quite extensive
21 frac jobs they were -- the wells are still capable of only
22 low rates of production.

23 Q. I call your attention to what has been marked as
24 Exhibit Number Four. Was that exhibit prepared by you or
25 under your supervision and direction?

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1 A. Yes.

2 Q. Would you explain that exhibit, please?

3 A. Exhibit Number Four is a proposed -- on the left-
4 hand side of the exhibit, is a proposed commingled completion,
5 which would allow commingling of the three separate formations,
6 Mesaverde, Gallup and Dakota. This completion would consist
7 of a tubing anchor, a rod pump seated in a seating nipple
8 with tubing run to the surface. Such a completion would
9 allow all three formations to be commingled within the well-
10 bore but would allow the gas to be produced up the annular
11 space and the fluids produced through the tubing by means of
12 the rod pump.

13 The righthand portion of the exhibit shows what
14 we consider to be a very undesirable completion, and even
15 that completion would require a commingling of the Dakota
16 and Gallup oil. It would also require, in addition to the
17 tubing for the Dakota and Gallup oil, two separate tubing
18 strings, one to produce the Mesaverde total well stream, oil
19 and gas, and another tubing string to vent the Dakota and
20 Gallup gas. This would be a very expensive completion and
21 not as efficient as the proposed completion.

22 Q. All right. In your opinion, then, to economically
23 complete and produce the C. W. Roberts Well Number Five, the
24 Dakota, Gallup, and Mesaverde formations would have to be
25 commingled in the same wellbore, is that correct?

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1 A. Yes.

2 Q. Have you -- or the application asks for the com-
3 mingling of three other wells in the area. Would you name
4 them and discuss them as they're shown on, I guess it's Ex-
5 hibit Number One?

6 A. Yes. These are Exhibit Five, which is for the
7 Lydia Rentz Number Four; Exhibit Six, which is for the C. W.
8 Roberts Number Three; Exhibit Seven, which is for the C. W.
9 Roberts Number Four. These are production plots of these
10 wells a year or so prior to their completions and renewed
11 intervals. Each one shows a production graph of the Dakota
12 formation prior to abandonment, and each one shows the sub-
13 sequent production graph of the new formation.

14 The Exhibit Five indicates that the Mesaverde
15 formation from the Lydia Rentz Number Four is currently
16 producing at the rate of 5.5 million cubic foot per month
17 with a oil production of approximately 50 barrels of oil per
18 month, or a 10 barrel per million, an approximate 10 barrel
19 per million, fluid to gas rate.

20 The Exhibit Number Six is a very similar graph of
21 the C. W. Roberts Number Three, also a Mesaverde completion.
22 It shows the Dakota formation interval of production and also
23 the Mesaverde. It indicates that the present rate is approx-
24 imately 8 million cubic foot of gas per month, 80 barrels of
25 oil per month, with a fluid to gas ratio of 10 barrels per

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1 million.

2 Exhibit Number Seven is for the C. W. Roberts
3 Number Four, which is the single and only Gallup formation
4 producer in this immediate area. It shows the Dakota formation
5 production and the Gallup formation production after a com-
6 pletion. This shows a very erratic oil rate of approximately
7 200 barrels of oil per month; a gas production of approxi-
8 mately two million cubic foot of gas per month; with a gas-
9 oil ration of approximately 10,000 to one.

10 All these wells are declining at the present time
11 at a rather well established rate.

12 These wells were abandoned in the Dakota due to
13 non-economic production and we feel that sometime in the very
14 near future economics may dictate that we can re-enter the
15 Dakota by removing the bridge plug and possibly doing some
16 drilling out, and open up the Dakota on a commingled basis
17 with the present formation.

18 Q Do you have an opinion as to the allocation of
19 production as between the zones in each of these wells?

20 A On the C. W. Roberts Number Five, our test period
21 is not completed, but we have an indication of what the oil
22 allocation might be. We're not proposing this as a firm
23 recommendation at this point. We feel that the Dakota should
24 be allocated sixty-seven percent of the production of oil;
25 the Gallup twenty-six percent; and the Mesaverde seven percent.

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1 We have no opinion at all right now on the gas
2 allocation. We'll have to have an extensive test period on
3 the Mesaverde formation before we can make that determination.

4 On the other wells we feel that the Dakota forma-
5 tion will probably add only a very small amount to the
6 production and we like to hold that at a constant rate of
7 3 barrels of oil per day once the completion is made, and
8 all the remaining production will be credited to the second
9 formation in the wellbore.

10 Q Now, in your opinion would the granting of this
11 application tend to avoid waste and allow the recovery of
12 oil that wouldn't otherwise be recovered, and would not
13 violate any correlative rights in the area?

14 A Yes.

15 MR. BLODGET: We tender Exhibits One through
16 Seven.

17 MR. STAMETS: These exhibits will be admitted.

18 MR. BLODGET: We have no further direct questions.

19 MR. STAMETS: Are there questions of the witness?

20 MR. KENDRICK: Yes.

21

22

CROSS EXAMINATION

23

BY MR. KENDRICK:

24

Q Mr. Brown, when we get down toward depletion, do

25

you still want to claim 3 barrels a day production from the

1 Dakota or should it be on a percentage basis of total pro-
2 duction?

3 A. We would have no objection to a percentage allo-
4 cation. We really don't know what the Dakota would produce.
5 It could be less than 3 barrels a day, so we would have no
6 objection to a percentage allocation.

7 Q. Okay. On Exhibits Five, Six, and Seven, you show
8 some production from the Ojito-Gallup -- excuse me, from the
9 Ojito-Dakota Pool prior to remedial action to these wells.
10 Were these wells flowing or being pumped at the time these
11 production values were obtained?

12 A. On the Ojito-Dakota?

13 Q. Yes.

14 A. We had a plunger pumping these wells.

15 Q. Okay.

16 A. Plunger lift.

17
18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q. Mr. Brown, it would seem like perhaps what you
21 should do is consult with the District Supervisor as these
22 wells are being worked over to establish an appropriate for-
23 mula for the allocation of production to these --

24 A. I think that would be an excellent idea.

25 Q. On your -- referring back to Exhibit Number One,

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1 you just indicate two Mesaverde wells inside the green area.
2 Is there other Mesaverde production in the vicinity of your
3 lease?

4 A. No, it's our understanding that our Mesaverde was
5 a field discovery and that these are the only two wells that
6 have produced from the Mesaverde in the immediate area.

7 Q Okay.

8 A. This is likewise true of the Gallup in the imme-
9 diate area.

10 Q Going back to Exhibits Number Five and Six, those
11 indicate the current potentials of the Mesaverde?

12 A. Yes.

13 Q And the Gallup, is the Number Four well the only
14 Gallup producer in the area?

15 A. Yes. Continental has some Gallup production, but
16 it is at least three miles east -- or west of this area.

17 Q And what about the Dakota?

18 A. The Dakota, I think the same is true of the Dakota.
19 The Continental production has -- the wells in the Continental
20 area have Dakota and Gallup, and they're -- I'm not sure of
21 the exact distance, but it's at least three miles to the
22 west.

23 Q And then the main production area is all Pictured
24 Cliffs?

25 A. Yes, all the wells indicated on the map, other

1 than the color coded wells are Pictured Cliffs wells.

2 Q So, basically, what you're asking for here is
3 authorization to downhole commingle otherwise non-commercial
4 zones to increase recovery in the area?

5 A Yes.

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

8 MR. BLODGET: No.

9 MR. STAMETS: We'll take the case under advisement.

10 (Hearing concluded.)
11
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REPORTER'S CERTIFICATE

I, Sally Walton Boyd, 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.

Sally Walton Boyd
Sally Walton Boyd, C. S. R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5987
heard by me on 7-29, 1977
Richard H. Stamm Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
August 11, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Chester E. Blodget
Getty Oil Company
P. O. Box 3000
Tulsa, Oklahoma 74102

Re: CASE NO. 5987
ORDER NO. R-5500

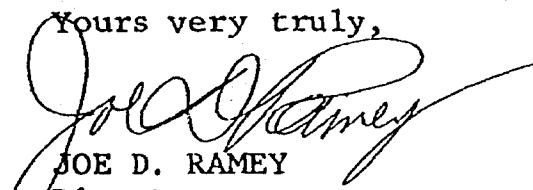
Applicant:

Getty Oil Company

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	<u>X</u>
Artesia OCC	<u>X</u>
Aztec OCC	<u>X</u>

Other Melvin D. Ruellhaus

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. 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 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.

(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, NMPM, 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

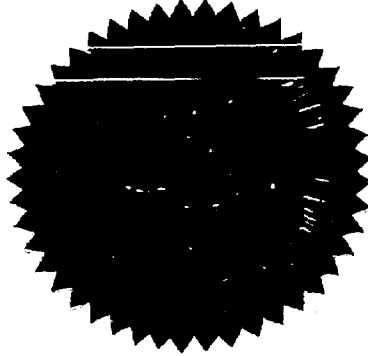
Order No. R-5500

(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

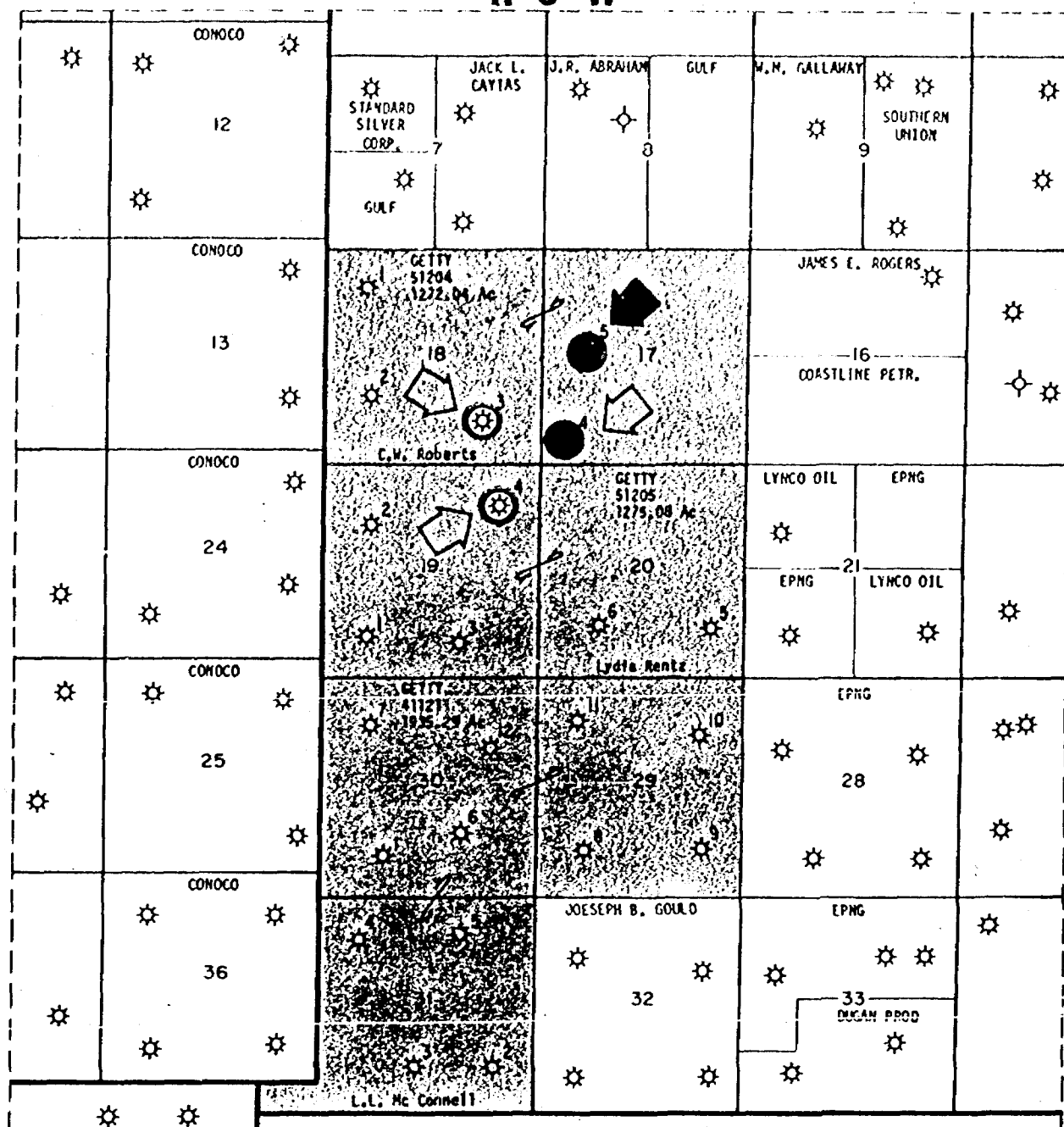
Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

dr/

R 3 W



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
GETTY OIL COMPANY
DENVER DISTRICT

EXHIBIT NO. 1

CASE NO. 5987

OJITO DAKOTA FIELD

Submitted by *Getty Oil Co*

RIO ARriba COUNTY, NEW MEXICO

Hearing Date 7/20/77

4000 8000

FEET

DATE JULY 1977



PROP COMBINGLED
MESAVERDE-GALLUP-DAKOTA



PICTURED CLIFFS PROD



GALLUP PROD-FORMER DAKOTA PROD



MESAVERDE PROD-FORMER DAKOTA PROD



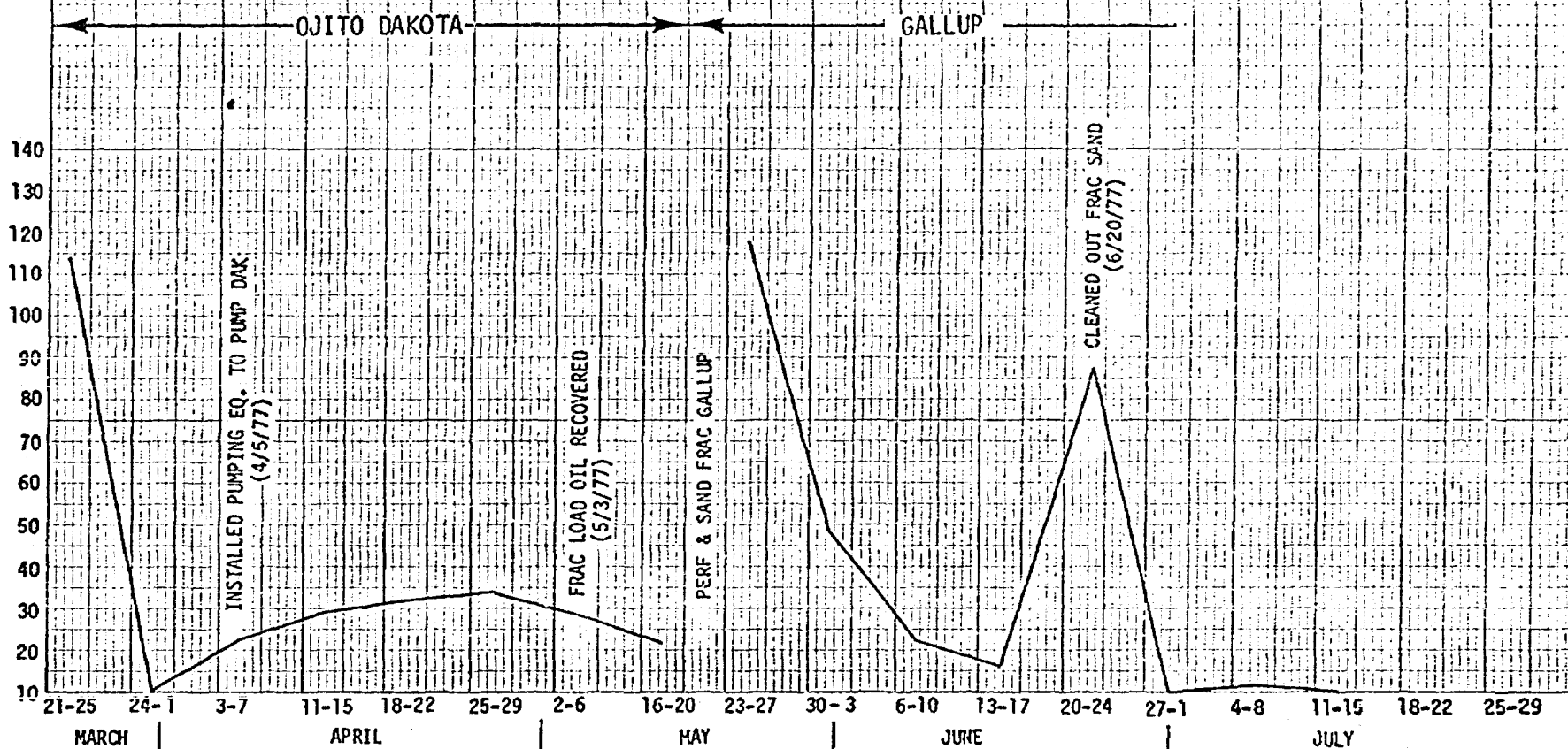
GETTY ACREAGE

BEFORE EXAMINER STAMETS

C.W. ROBERTS Well No. 5
Sec. 17, T25N-R3W
RIO ARRIBA COUNTY, NEW MEXICO

Oil Conservation Commission
3
5987
Gaffney Oil Co.
7/20/77

DAILY AVERAGE BY WEEKS-BOPD



C.W. ROBERTS Well No. 5
Sec. 17, T 25N-R3W
RIO ARriba COUNTY, NEW MEXICO

PROPOSED COMINGLED
COMPLETION

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 5987

DATE 7/10/77

Meeting Date 7/10/77

UNDESTRUCTIBLE
COMPLETION

MESAVERDE

DV @ 4161
300 SACKS CEMENT

PROPOSED
PERFORATIONS 5319-5890

DV @ 6165'
240 SACKS CEMENT

TUBING
ANCHOR

ROD PUMP
SEATING
PISTON

GALLUP

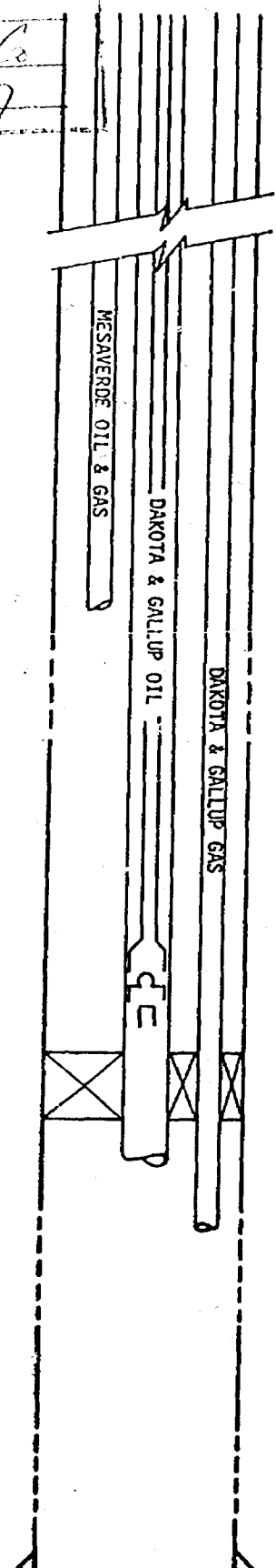
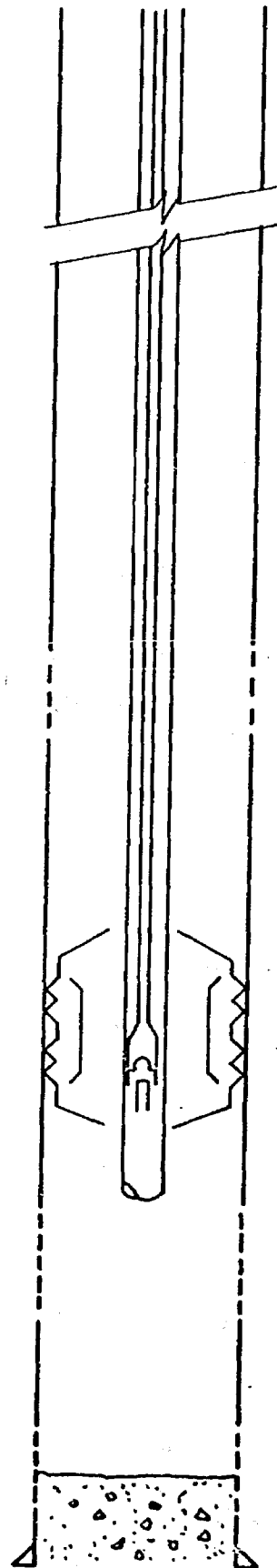
DAKOTA


PERFORATED 7010-7246
Sand Frac W/63,000#

PERFORATED 7884-8124
Sand Frac W/35,000#
Squeezed 8102-8124
Open Now 7884-8102

7" @ 8200 W/235 SACKS

7/11/77




 5 YEARS BY MONTHS 46 6693
 X 3 LOG CYCLES
 MADE IN U.S.A.
 KEUFFEL & ESSER CO.

OIL-BARRELS/MONTH

1000

100

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 73												19 74												19 75												19 76												19 77											

LYDIA RENTZ Well No. 4
 Sec. 19, T25N-R3N
 RIO ARriba COUNTY, NEW MEXICO

BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION

5987
 7/20/77

OJITO DAKOTA

MESAVERDE

GAS

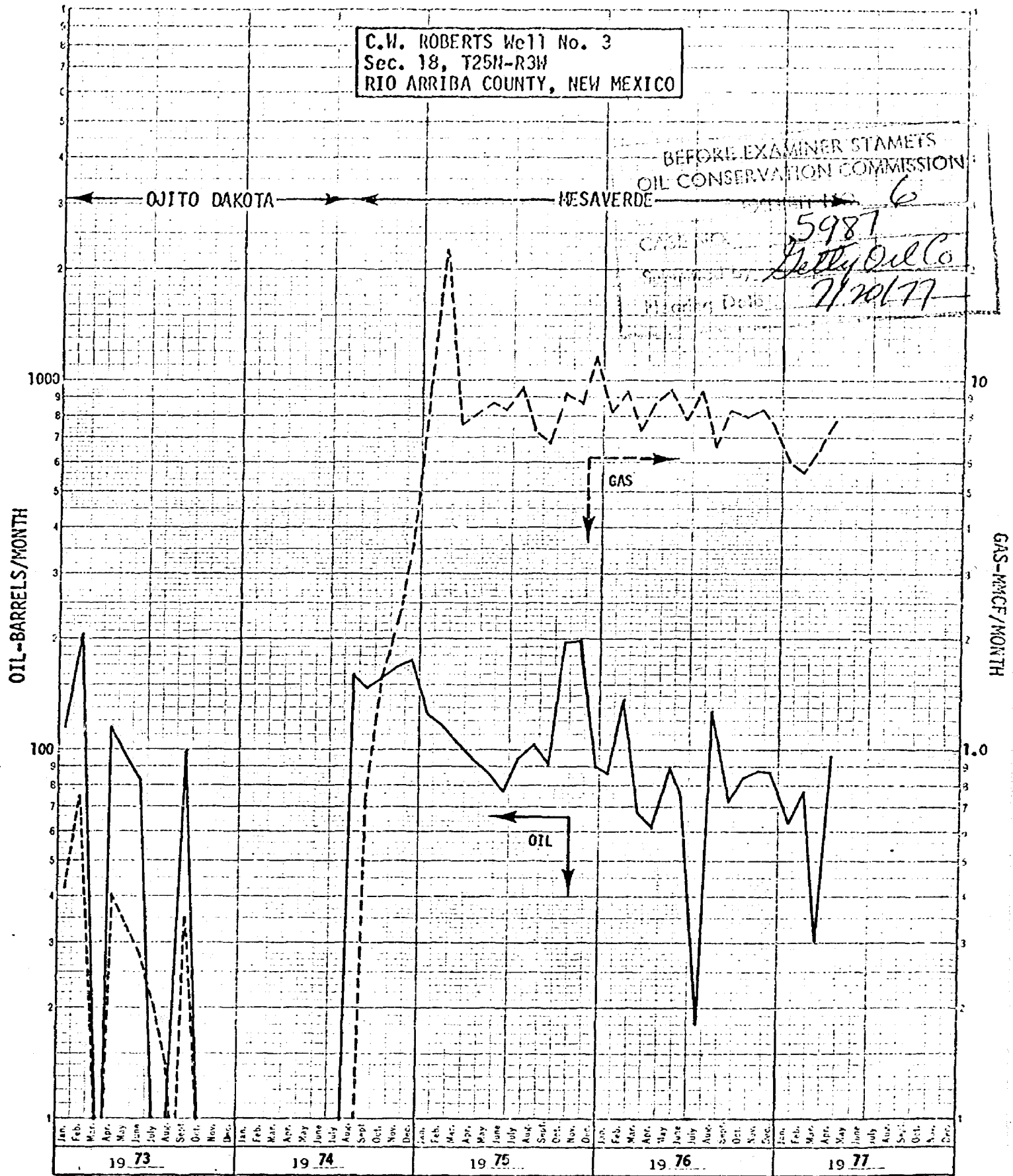
OIL

GAS-MCF/MONTH

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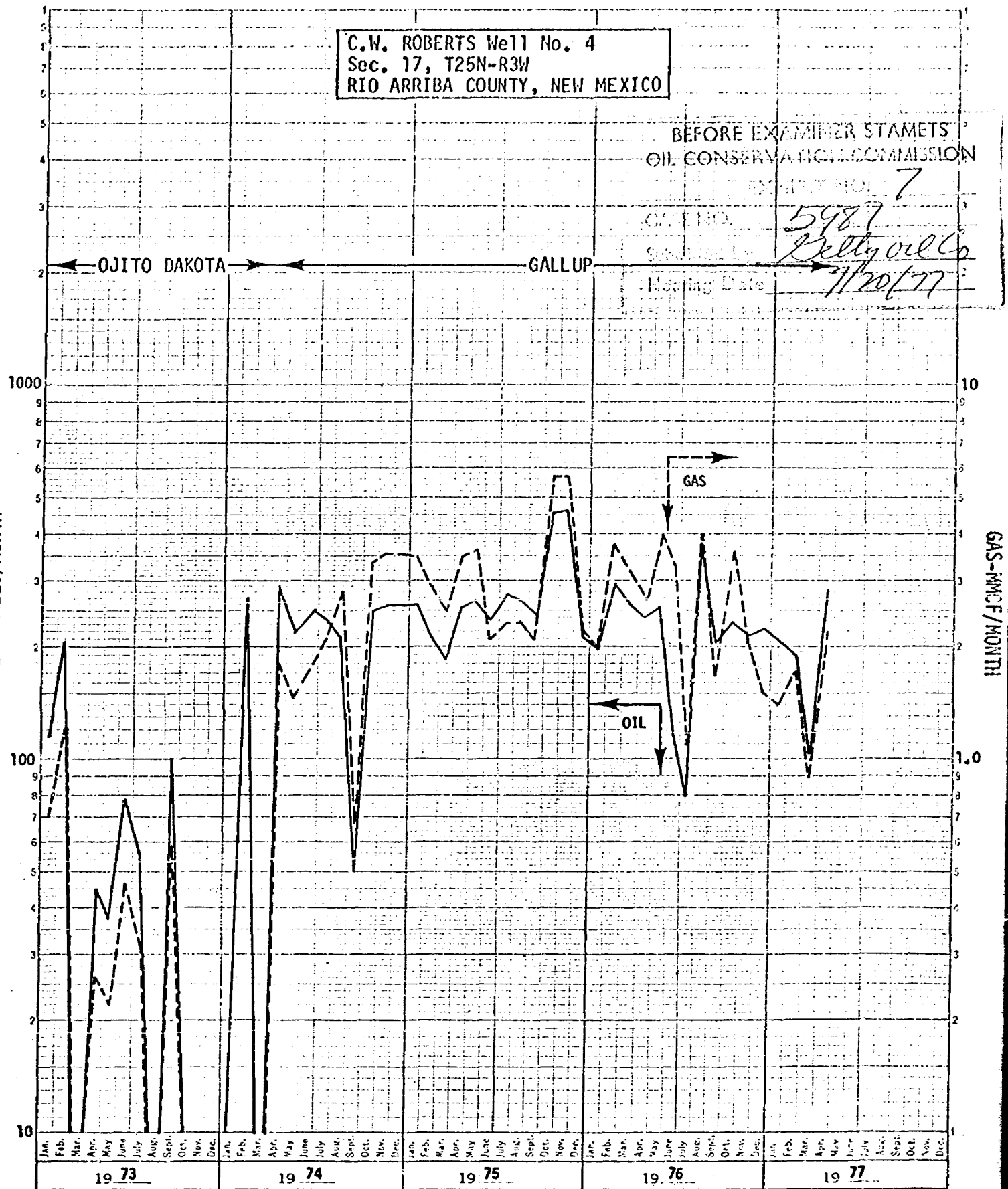
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MADE IN U.S.A.
KEUFFEL & ESSER CO.



KE 5 YEARS BY MONTHS 46 6893
MADE IN U.S.A.
KEUFFEL & ESSER CO.

OIL-BARRELS/MONTH



Dockets Nos. 25-77 and 26-77 are tentatively set for hearing on August 3 and August 17, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 20, 1977

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Mutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for August, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 5982: Application of Sam H. Snoddy for directional drilling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of two 14,000-foot Morrow gas wells in Unit P of Section 25, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, one of which would be vertically drilled to a depth of 4000 feet from a surface location 660 feet from the South line and 760 feet from the East line of said Section 25, then directionally drilled in a North-Northwesterly direction and bottomed in the approximate center of the NE/4 of said Section 25, the N/2 of the section being dedicated to the well; the other well would be vertically drilled to a depth of 4000 feet from a surface location 760 feet from the South line and 660 feet from the East line of said Section 25, then directionally drilled in a West-Northwesterly direction and bottomed in the approximate center of the SW/4 of said Section 25, which would be a 160-acre non-standard unit for said well.
- CASE 5983: Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.
- CASE 5984: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in and underlying the N/2 of Section 20, Township 18 South, Range 25 East, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5985: Application of Orla Petco, Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its B. K. Morrison Well No. 1 to be located 1900 feet from the South line and 660 feet from the West line of Section 5, Township 19 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 5 to be dedicated to the well.
- CASE 5986: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Devils Fork-Gallup and Mesaverde production in the wellbore of his Edna Well No. 2 located in Unit O of Section 7, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 5987: Application of Getty Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup, Mesaverde, and Dakota production in the wellbore of its C. W. Roberts Well No. 5, located in Unit F of Section 17, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Applicant also seeks approval for the reopening of its C. W. Roberts Wells Nos. 3 and 4 and its Lydia Rentz Well No. 4 to commingle Dakota, Mesaverde, and possibly Gallup production within the wellbores of the above-described wells located in Units O, H, and A of Sections 18, 17, and 19, respectively, of the same township.
- CASE 5988: Application of Continental Oil Company for three unorthodox locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2-A of the Blanco-Mesaverde Gas Pool Rules, to permit the drilling of its AXI Apache "N" Wells Nos. 12 and 14 in the NW/4 of Sections 11 and 1, respectively, and its AXI Apache "O" Well No. 10 in the SE/4 of Section 3, all in Township 25 North, Range 4 West, Rio Arriba County, New Mexico. Each of said wells is the first Mesaverde well on its proration unit.

WHITE,
KOCH, KELLY
&
McCARTHY

JUN 23 1977
June 23, 1977

Case 5987

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

Re: In the matter of the application of
Getty Oil Company for downhole com-
mingling, Rio Arriba County, New
Mexico

Gentlemen:

I have enclosed my entry of appearance on behalf
of Getty Oil Company in the above-captioned matter.

Very truly yours,


L. C. WHITE

LCW:m
enclosure as indicated
of/8700
cc: C. E. Blodget

L. C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Bateman
Benjamin Phillips

C. Emery Cuddy, Jr.
Larry C. White

220 Otero St., P.O. Box 787, (505)982-4374, Santa Fe, N.M. 87501

Attorneys and Counselors at Law

JUN 24 1971

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR DOWNHOLE
COMMINGLING, RIO ARriba COUNTY,
NEW MEXICO

Case No. 5987

ENTRY OF APPEARANCE

L. C. White of White, Koch, Kelly & McCarthy, hereby enters
his appearance on behalf of Getty Oil Company in the above-
captioned matter.

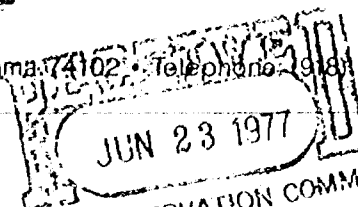


L. C. WHITE



Getty Oil Company

P.O. Box 3000, Tulsa, Oklahoma 74102 • Telephone 918-584-2311



June 20, 1977 OIL CONSERVATION COMM.
Santa Fe

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

Re: In the Matter of the Application of
Getty Oil Company for Downhole
Commingling, Rio Arriba County,
New Mexico

Gentlemen:

We are enclosing herewith the original and
two copies of the above referenced application.

We would appreciate your setting the matter
for hearing on the July 20, 1977 Examiner's
Docket.

Very truly yours,

C. E. Blodget

CEB:ot
Attach.

RECEIVED
JUN 23 1977
CONSERVATION COMM

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF GETTY OIL COMPANY FOR DOWNHOLE)
COMMINGLING, RIO ARriba COUNTY,)
NEW MEXICO)

CASE NO. 5987

A P P L I C A T I O N

COMES NOW Getty Oil Company and alleges and states:

1. That Getty Oil Company is the sole owner and operator of oil and gas wells located in their C. W. Roberts lease in Sections 17 and 18 and their adjoining Lydia Rentz lease in Sections 19 and 20, Township 25 North, Range 3 West NMPM, Rio Arriba County, New Mexico.

2. That the C. W. Roberts Well No. 5 was drilled to a total depth of 8,210 feet during the period January 1 to February 10, 1977, at a location 1,650 feet from the west line and 1,850 feet from the north line of Section 17-T25N-R3W and that seven-inch casing was run to a depth of 8,197 feet and cemented to protect the Dakota, Gallup, Mesaverde and Pictured Cliffs formations.

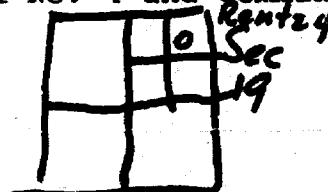
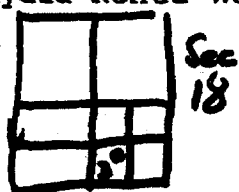
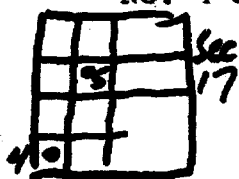
3. That the Dakota and Gallup formations have been independently perforated, sand fraced and tested and found to be capable of only low rates of production, that the Mesaverde formation when completed will also be capable of only a low rate of production and that the Pictured Cliffs formation is thought to be non-productive at this location.

4. That Dakota, Gallup and Mesaverde formations each produce both gas and liquid hydrocarbons making pumping extremely inefficient unless the gas is vented to the surface. That even if the Dakota and Gallup formations were commingled and the Mesaverde produced separately, three strings of tubing would be required in the well.

5. That to economically complete and produce the C. W. Roberts Well No. 5, the Dakota Gallup and Mesaverde formations will have to be commingled in the well bore.

6. That the C. W. Roberts Well No. 3, 1,450 feet from the east line and 1,190 feet from the south line of Section 18, is a Mesaverde completion, the C. W. Roberts Well No. 4, 660 feet from the south line and 660 feet from the west line of Section 17, is a Gallup completion and the Lydia Rentz Well No. 4, 990 feet from the north line and 990 feet from the east line of Section 19, is a Mesaverde completion and all were former Dakota formation producers that were recompleted when the Dakota zone became uneconomical to operate and that each well is capable of only low rates of production from their present completion intervals.

7. That Getty Oil Company be granted authority to commingle the Dakota Gallup and Mesaverde formations in the well bore of its C. W. Roberts Well No. 5, their completion and also be granted authority to reopen the abandoned Dakota formation in its C. W. Roberts Well No. 3, C. W. Roberts Well No. 4 and Lydia Rentz Well No. 4 and commingle with either or



CASE NO. _____

Page 2

both the Gallup and Mesaverde formations within the well bore.

8. That all of the offset operators have been notified of this application by sending them a copy of same. The offset operators are:

Lynco Oil Company
2001 Western Avenue
Farmington, New Mexico 87401

Gulf Oil Corporation
P. O. Box 2619
Casper, Wyoming 82602

Minel
319 Seventh Street
Albuquerque, New Mexico 87102

El Paso Natural Gas Company
Box 990
Farmington, New Mexico 87401

Jack L. Cayias
319 Heidrich
Houston, Texas 77018

J. R. Abraham
424 First National Bank
Albuquerque, New Mexico 87102

W. M. Gallaway
101-2 Petroleum Plaza Building
Farmington, New Mexico 87401

James E. Rogers
2525 Gateway West
El Paso, Texas 79903

USGS
P. O. Box 959
Farmington, New Mexico 87401

Southern Union
Box 808
Farmington, New Mexico 87401

9. That the granting of this application will avoid waste, allow the recovery of gas and other hydrocarbons which would not otherwise be recovered, and would not violate correlative rights.

WHEREFORE, PREMISES CONSIDERED, Applicant prays that this Commission set this matter down for hearing, that notice thereof be given as required by law, and that at the conclusion of said hearing based on the evidence adduced, enter its order allowing Getty Oil Company to commingle the production from the Dakota, Gallup and Mesaverde formations within the well bore of its newly completed C. W. Roberts Well No. 5 and also its abandoned Dakota formation producers, i.e. C. W. Roberts Well Nos. 3 (Mesaverde) and 4 (Gallup) and Lydia Rentz Well No. 4 (Mesaverde) all located in Sections 17, 18, 19 and 20, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

GETTY OIL COMPANY

BY Chester E. Blodget
Chester E. Blodget
P. O. Box 3000
Tulsa, Oklahoma 74102

Of Counsel:
Mr. L. C. White
White, Koch, Kelly & McCarthy
220 Otero Street
P. O. Box 787
Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:CASE NO. 5987Order No. R- 5500APPLICATION OF GETTY OIL COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.ORDER OF THE COMMISSIONBY 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 day of July, 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 commingle ~~Pee~~
^{Gallup,} Mesaverde, and Dakota production within the wellbore of the above-described well.

(4) That from the ^{Mesaverde} ~~Gallup~~ zone, the subject well is capable of low ^{rates of} ~~marginal~~ production only.

(5) That from the ^{Gallup} ~~Mesaverde~~ zone, the subject well is capable of low ^{rates of} ~~marginal~~ production only.

(6) That from the Dakota zone, the subject well is capable of low ^{rates of} ~~marginal~~ production only.

(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 ~~Pee~~
^{Gallup,} Mesaverde, ^{Gallup, and Dakota} ~~and possibly~~ ~~Gallup~~ 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 the ^{Pee} ~~Dakota~~ zone, the subject well is capable of low marginal production only.

(9) That from the ^{each of said} ~~Mesaverde~~ zones, the subject wells ~~may reasonably be expected to be~~ capable of low ^{rates of} ~~marginal~~ production only.

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

(11) 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.

(12) 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} ~~is~~ 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.

[Handwritten initials]
(12) (10) 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.

~~the commingled _____ percent of~~
~~the commingled _____ production to the Mesaverde zone and~~
~~_____ percent of the commingled _____ production to the~~
Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Getty Oil Company, is hereby authorized to commingle ~~Gallup~~ ^{Gallup}, Mesaverde, and Dakota production within the wellbore of the C. W. Roberts Well No. ~~5~~, located in

3 located in unit O of Section 18,
its C.W. Roberts Wells No 4 and
5 located in units ^MR and ^FR, 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, NMPM, Rio Priba 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.

~~to the Mesaverde zone, and _____ percent of the commingled~~
~~production shall be allocated to the Carrup zone.~~

(3) That the operator of the subject wells shall immediately ~~notify~~ 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.

(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.