

CASE 6109: YATES PETROLEUM CORPORATION
FOR DOWNHOLE CONNECTIONS, EDDY COUNTY,
NEW MEXICO

Case Number

6109

Application

Transcripts.

Small Exhibits

FT

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
14 December 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor-
poration for downhole commingling,
Eddy County, New Mexico.

CASE
6109

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, Yates
Petroleum Corporation:

Joel Carson, Esq.
LOSEE & CARSON, P. A.
Artesia, New Mexico

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

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EDDIE MAHFOOD

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1 MR. STAMETS: Call Case 6109.

2 MS. TESCHENDORF: Case 6109. Application of
3 Yates Petroleum Corporation for downhole commingling,
4 Eddy County, New Mexico.

5 MR. CARSON: Mr. Examiner, I'm Joel Carson,
6 Losee and Carson, P. A., Artesia, New Mexico. I represent
7 the Applicant in this case. I will have one witness.

8 MR. STAMETS: If he'll stand and be sworn,
9 please.

10 (Witness sworn.)

11
12 EDDIE MAHFOOD

13
14 being called as a witness on behalf of Yates Petroleum
15 Corporation, and having been duly sworn upon his oath,
16 testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. CARSON:

20 Q Would you state your name, please?

21 A Eddie Mahfood, Chief Engineer for Yates Pet-
22 roleum, Artesia.

23 Q Mr. Mahfood, have you previously testified
24 before this Commission?

25 A Yes, I have.

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1 Q And have your qualifications been acceptable?

2 A Yes, they have, yes, sir.

3 MR. STAMETS: The witness is considered qual-
4 ified.

5 Q (Mr. Carson continuing.) Mr. Mahfood, would
6 you state the purpose of this application?

7 A Yes. We wish to obtain permission to down-
8 hole commingle the Wolfcamp and Morrow formations in this
9 well.

10 Q By this well you mean the Stonewall EP?

11 A The Stonewall EP No. 1.

12 Q Mr. Mahfood, I hand you what's marked as
13 Applicant's Exhibit Number One and would ask you what that
14 purports to show?

15 A This is an ownership map showing the location
16 of this well and the owners and the other wells in the
17 area.

18 Q Mr. Mahfood, at this point I would ask -- like
19 to ask you if the ownership of the minerals is common to
20 these two zones you're seeking to commingle?

21 A Yes, the ownership is.

22 Q All right. And was this Exhibit One prepared
23 by you or under your supervision?

24 A Yes, sir, it was prepared by me.

25 Q I refer you to Applicant's Exhibit Number Two

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1 and ask you to identify that, please.

2 A This is a diagrammatic sketch of the dual
 3 completion for which we're not asking commingling.

4 Q Okay. Was that exhibit prepared by you or
 5 under your supervision?

6 A Yes, sir, it was.

7 Q Would you explain to the Hearing Examiner
 8 what this exhibit purports to show?

9 A This exhibit has been presented once before
 10 when we applied for permission to dual complete the well.
 11 We show two packers in the well; two zones in the well,
 12 with the zones separated, and what we propose to do now is
 13 to pull the separation two and to allow the two zones to
 14 flow in the common wellbore and set a standing valve on
 15 top of the bottom, the Morrow packer, to prevent any fluids
 16 from the Wolfcamp coming in contact with the Morrow forma-
 17 tion.

18 Q Would you -- in other words, you feel that
 19 you've taken adequate precaution to see that no liquids
 20 flow downhole.

21 A That is correct.

22 Q Mr. Mahfood, is there any way that you can at
 23 the present time allocate the amount of production that's
 24 expected from these two formations?

25 A Yes. We've had a little bit of history on

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1 both the Wolfcamp and the Morrow, and we estimate some
2 sixty million cubic feet of gas remaining in the Wolfcamp,
3 plus five thousand barrels of condensate.

4 And in the Morrow we estimate two hundred
5 and forty million cubic feet of gas and two thousand bar-
6 rels of condensate remaining.

7 At this time the Morrow has declined to a
8 point where it will hardly buck the land pressure. So
9 the production is somewhere in the neighborhood of one and
10 a half billion cubic feet of gas. And we feel like the
11 Stonewall -- the Wolfcamp, being a low reserve well, should
12 be commingled with the Morrow to assist the Morrow in
13 giving up additional reserves and economically produce
14 the two zones.

15 Q Mr. Mahfood, are the fluids in these two
16 zones compatible?

17 A Yes. There is no reason why they shouldn't
18 be compatible.

19 Q I'll show you what's been marked Applicant's
20 Exhibit Number Three and ask if you would identify that
21 and tell what it purports to show?

22 A This is a log of the well, the Stonewall EP
23 No. 1 State Well, showing the Wolfcamp pay and the Morrow
24 pay. You'll note in the Morrow there is a zone immediately
25 below the perforations that has not been perforated and

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1 we may at a later date want to perforate this and as soon
2 as we have some history in it we can re-allocate the re-
3 serves with the Morrow.

4 Q Was this exhibit prepared by you or under
5 your supervision?

6 A Yes, it was prepared by me.

7 Q I refer you to Applicant's Exhibit Number Four,
8 I believe.

9 A Number Four is a production history of the
10 Morrow pay for the year 1977.

11 You'll observe a gas decline rate of 77.7 per-
12 cent per month when it's actually a decline rate of 12.3
13 percent -- 22.3 percent, pardon me.

14 And the production -- the oil -- the condensate
15 decline curve at the rate of -- the decline rate of 72.5
16 percent decline in production of 27.5 per month.

17 Q Was this exhibit prepared by you or under
18 your supervision?

19 A Yes.

20 MR. CARSON: Mr. Examiner, we'd like to move
21 the introduction of the exhibits, please.

22 MR. STAMETS: These exhibits will be admitted.

23 Q (Mr. Carson continuing.) Mr. Mahfood, is it
24 your opinion that the granting of this application will
25 protect correlative rights, prevent waste, otherwise prevent

1 the drilling of an excessive number of wells?

2 A Yes, that is correct.

3 MR. CARSON: We have no further questions of
4 this witness, Mr. Examiner.

5 MR. STAMETS: Are there questions of the
6 witness?

7

8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Mahfood, you seem to have a pretty good
11 decline rate on the Morrow zone, which could be used in
12 projecting ultimate -- or projecting a division of the
13 production between the two zones. Could you use this
14 decline rate plus the production rate after the two zones
15 were combined and determine a formula for allocation?

16 A Yes, sir. I've roughed this out and I figure
17 for gas production in a commingled wellbore the Wolfcamp
18 will contribute twenty percent and for the condensate the
19 Wolfcamp would contribute seventy percent.

20 Q Now what I was asking was would it not, per-
21 haps, be somewhat better to wait until after the two
22 zones are commingled and utilize your decline rate on the
23 Morrow plus your actual production to determine the divi-
24 sion of production?

25 A That will be satisfactory.

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1 Q What is the pressure in the Morrow zone at
2 this time?

3 A We have not run a bond in there. We had a
4 shutin tubing pressure but it was in the neighborhood of
5 700 or 800 pounds.

6 I don't have that information with me. Oh,
7 wait a minute, I beg your pardon. I do too.

8 I don't think -- that well was shutin for
9 only about seventy-two hours and I've got --

10 MR. CARSON: You're talking about present
11 pressure, aren't you?

12 Q Right.

13 A Yes.

14 Q Current pressure.

15 A For the annual shutin, and I don't have that
16 data with me. I'm sorry.

17 Q How about the pressure on the Wolfcamp zone?

18 A We have the pressure drill stem test, which
19 was 4216 in the first shutin, initial shutin for drill
20 stem test, and 4192 in the final shutin, and after we'd
21 produced the well for about three weeks we shut it in and
22 then three weeks later than that we ran a pressure again;
23 it was 2608, but it dropped from 4192 to 2608.

24 Q So perhaps it may be as much as 3000 pounds
25 assuming you've got a little better recovery in that.

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- 1 A It is possible.
- 2 Q And you feel that your shutin pressure on the
- 3 Morrow is only about 700 or 800 pounds?
- 4 A Yes, sir.
- 5 Q That's a substantial pressure differential.
- 6 A I'm sorry, this 700 to 800 was a surface
- 7 pressure. The 2608 was the bottom hole pressure.
- 8 Q All right.
- 9 A On the Wolfcamp.
- 10 Q What was that calculated surface more or less?
- 11 A The Wolfcamp had a surface pressure of 702.
- 12 Q 702?
- 13 A Yes.
- 14 Q The Wolfcamp?
- 15 A The Wolfcamp had a surface pressure of 702
- 16 before we drilled the well. I'm sorry, before we isolated
- 17 the Wolfcamp.
- 18 Q Have you tested the -- or is the standing
- 19 valve currently in the well?
- 20 A No. No, the well -- the Wolfcamp is still
- 21 isolated in the well.
- 22 Q Okay, so you will have to run the standing
- 23 valve?
- 24 A That is correct.
- 25 Q But you've had these in other wells. Have

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1 you had an opportunity to test them after a period of use?

2 A Well, we have tested them, you know, within

3 one or two months after we put them in place and they're

4 holding. We do this when we -- well, in this area, I take

5 it back now, in this area we have one or two other wells

6 that have depleted and we go back and perforate higher

7 in the same zone, within the horizon, and we find that the

8 valves were holding.

9 Q Now you indicated the fluids were compatible.

10 Do you know what the gravities of the two fluids are?

11 A The Wolfcamp is 51.3 API and the Morrow is

12 69.8.

13 Q Will this have any adverse impact on the

14 amount of money that you'll be getting for the production?

15 A No, sir, I don't think -- it shouldn't.

16 Q Does either of the zones make high sulphur

17 gas?

18 A No, no sulphur in this.

19 Q Sweet?

20 A Sweet, yes.

21 Q How about the Wolfcamp, does it make any

22 water?

23 A No, we have not seen any water.

24 Q Okay, how about the water production that

25 comes with the Morrow zone? Does that cause any problems?

1 A No, sir, we have not experienced any -- any
2 harmful effects from the Morrow water.

3 Q Now, we've been concerned primarily about the
4 Morrow zone as one, perhaps, which could be damaged. How
5 about the Wolfcamp zone? If you get enough liquids
6 standing in that tubing against the Wolfcamp, is there any
7 potential for damage there?

8 A We don't think there will be any damage from
9 the Morrow fluid.

10 Q What's the major Wolfcamp? Is that a carbonate
11 reservoir or a sand?

12 A Carbonate.

13 MR. STAMETS: Any other questions? He may
14 be excused. Anything further?

15 We'll take the case under advisement.

16 (Hearing concluded.)
17
18
19
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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.

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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. 6109
heard by me on 12-14-77 1977
Richard L. Stant Examiner
New Mexico Oil Conservation Commission

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. 6109

Order No. R- 5615

APPLICATION OF Yates PETROLEUM CORPORATION
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 14,
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of December, 19 77, 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, Yates Petroleum Corporation, is the
owner and operator of the Stonewall EP State Well No. 1, located
in Unit F of Section 30, Township 20 South, Range
28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle
Burton Flat-Morrow and North Burton Flat-Wolfcamp production
within the wellbore of the above-described well.

(4) That from the Burton Flat-Morrow zone, the
subject well is capable of low marginal production only.

(5) That from the North Burton Flat-Wolfcamp zone, the
subject well is capable of low marginal production only.

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

Case No. _____
Order No. R- _____

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

(8) 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 Artesia district office of the Commission any time the subject well is shut-in for 7 consecutive days.

Artesia (9) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the ~~Artesia~~ District Office of the Commission and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Burton Flat-Morrow and North Burton Flat-Wolfcamp production within the wellbore of the Stonewall EP State Well No.1, located in Unit F of Section 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

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

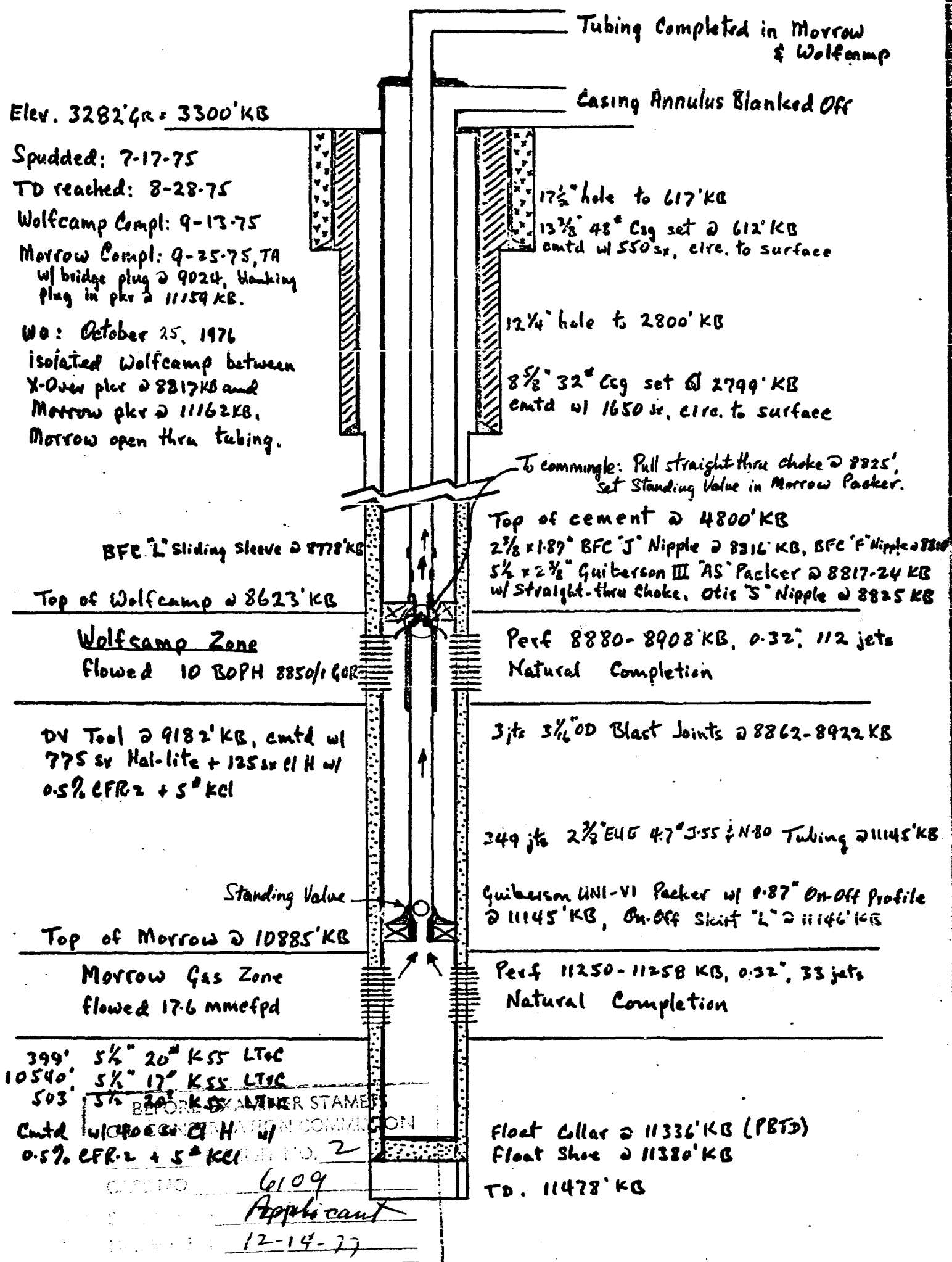
(3) That the operator of the subject well shall immediately notify the Commission's Artesia district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That 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.

[illegible]

Diagrammatic Sketch of Dual Completion/Commingle
Stonewall "EP" State Com. No. 1, 1980/N 1980/W Sec 30-20s-28E



6800 PAPERBACK - NEW EDITION 1301260001 UNCLASSIFIED

COMPANY YATES PETROLEUM CORPORATION

WELL. STONEWALL "E.P." STATE #1 CO.

FIELD ORSON EE 87

COUNTY DOZ STATE NEW MEXICO

Other Services: 5.02/Asm

30	20.5	28.5
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Permecon Dens. 96 ; Elev. 3282
Log Measured from 10 , 18 ft. Above Perm. Datum
Log Measured from 10

Elev.: K.B. 3700
D.F. _____
G.L. 3282

Petd 8880 = 8903/112 6-32" jets
 Petd w/ 2500g 15% DS-30 "jet"
 Flowing 2735 mcpd = 11500% on 1/2" c/c

0058

Wolfcamp

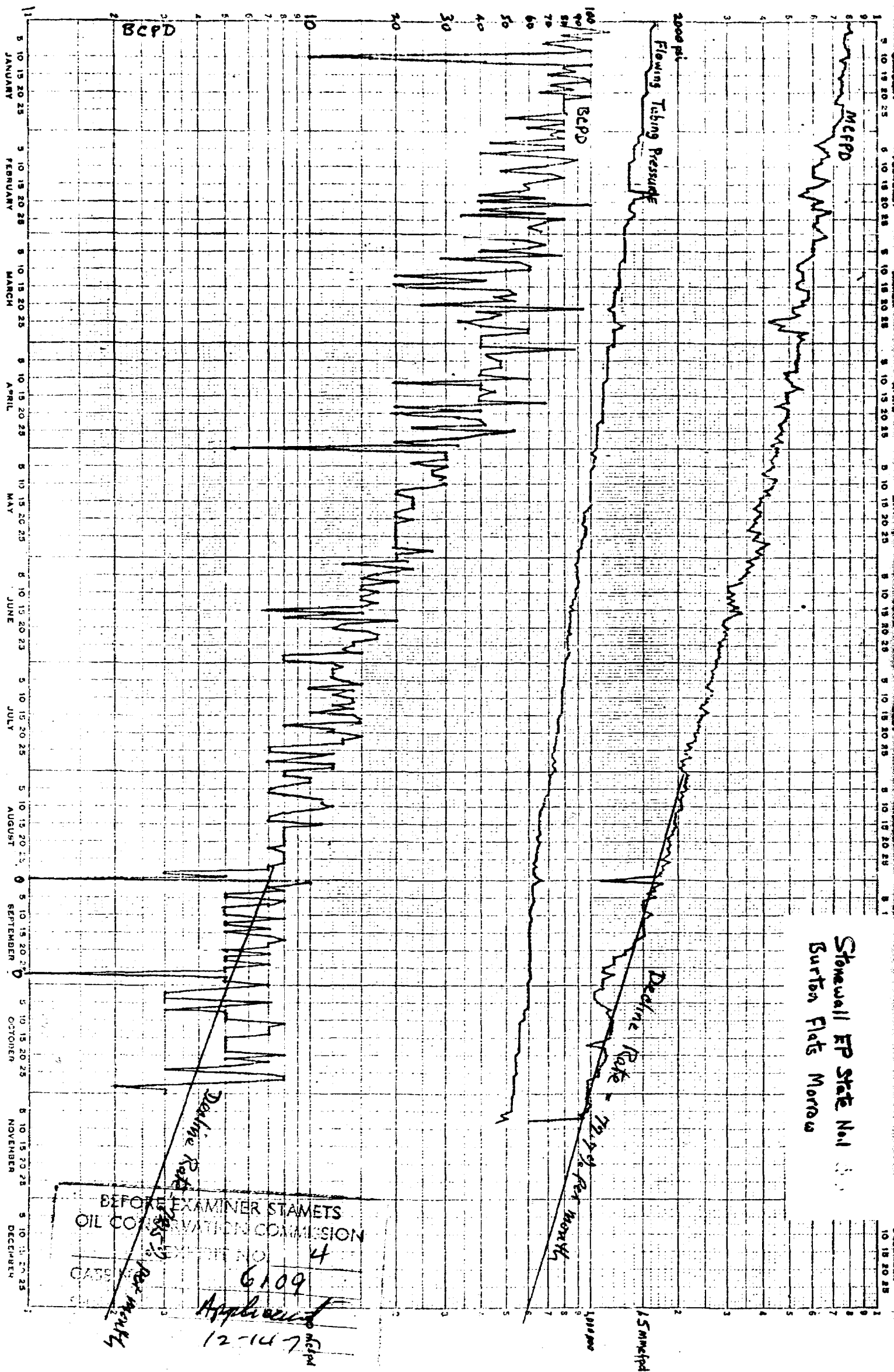
ΜΕΝΤΩΝ

1500

Ref 11250-258
Natural flow 163mmcf

6109
~~Applicant~~
~~12-11-73~~

~~ON CONGRESSIONAL RECORD~~



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. 6109
Order No. R-5615

APPLICATION OF YATES PETROLEUM
CORPORATION FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of January, 1978, 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, Yates Petroleum Corporation, is the owner and operator of the Stonewall EP State Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle Burton Flat-Morrow and North Burton Flat-Wolfcamp production within the wellbore of the above-described well.

(4) That from the Burton Flat-Morrow zone, the subject well is capable of low marginal production only.

(5) That from the North Burton Flat-Wolfcamp zone, the subject well is capable of low marginal production only.

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

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

-2-

Case No. 6109
Order No. R-5615

(8) 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 Artesia district office of the Commission any time the subject well is shut-in for 7 consecutive days.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Burton Flat-Morrow and North Burton Flat-Wolfcamp production within the wellbore of the Stonewall EP State Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

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

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

(4) That 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

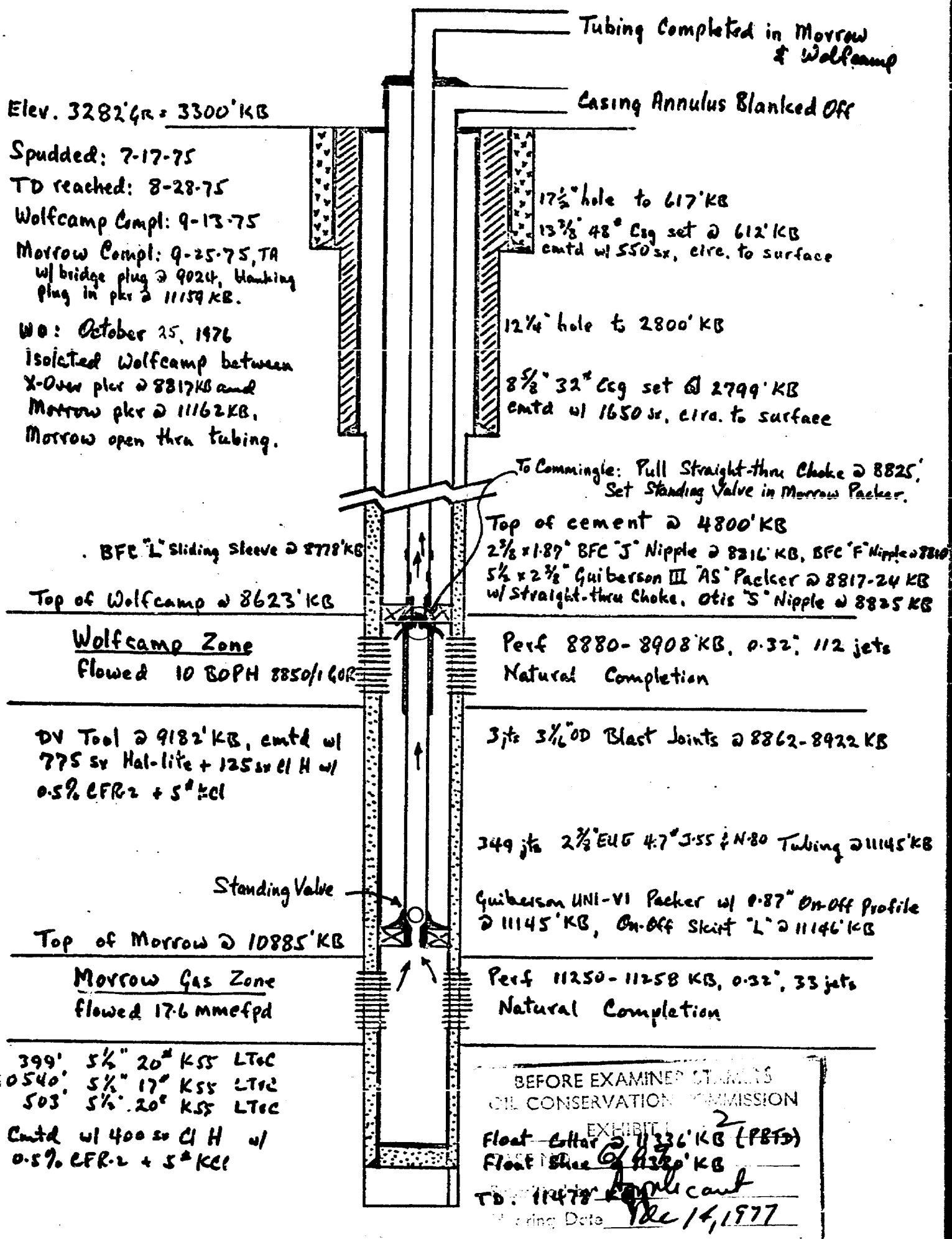
Henry O. Arnold
HENRY O. ARNOLD, Member

Joe D. Ramer
JOE D. RAMER, Member & Secretary

S E A L

jr/

Diagrammatic Sketch of Dual Completion/Commingleg
Stonewall "EP" State Com. No. 1, 1980/N 1980/W Sec 30-20s-28E



**BOTTOMS AND MECHANICAL
RECORDING UNIT**

COMPANY YATES PETROLEUM CORPORATION

WELL STANWELL "E" STATE #1

FIELD DURTON FLAT

COUNTY COO STATE NEW MEXICO

WELL NO. 1880 FIELD FLAT

DATE 10/20/55

TIME 10:05 TEMPERATURE 88.5

Other Services: S. R. / H. M.

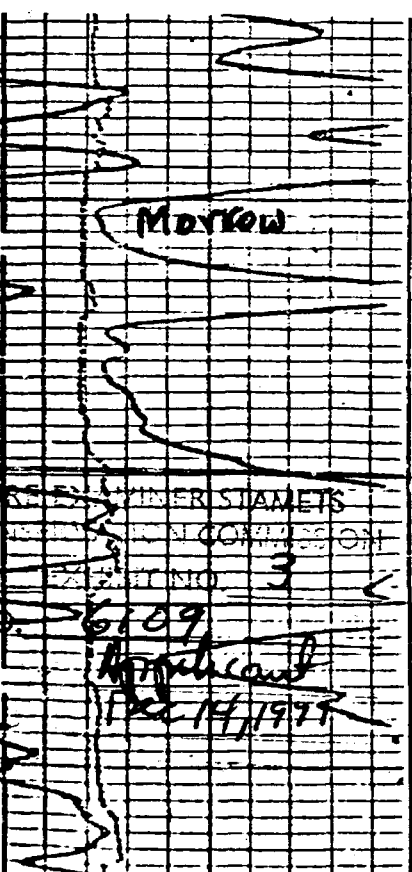
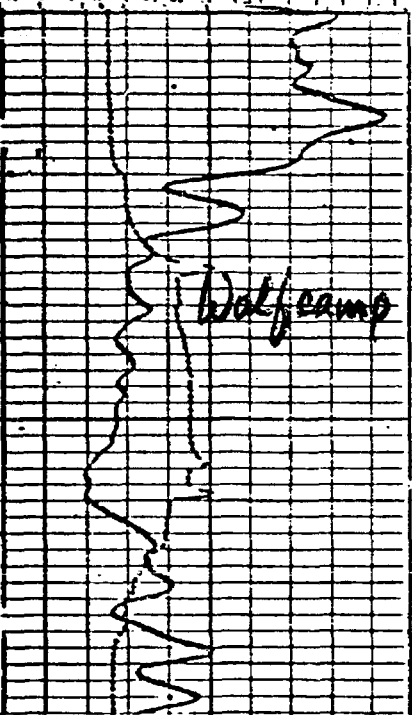
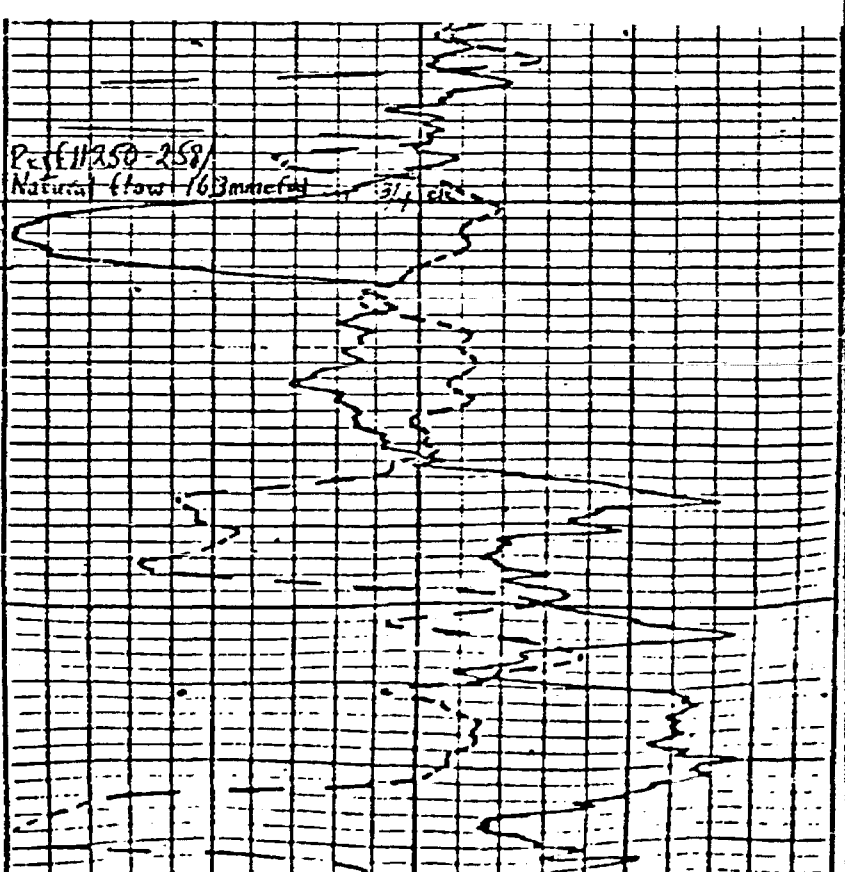
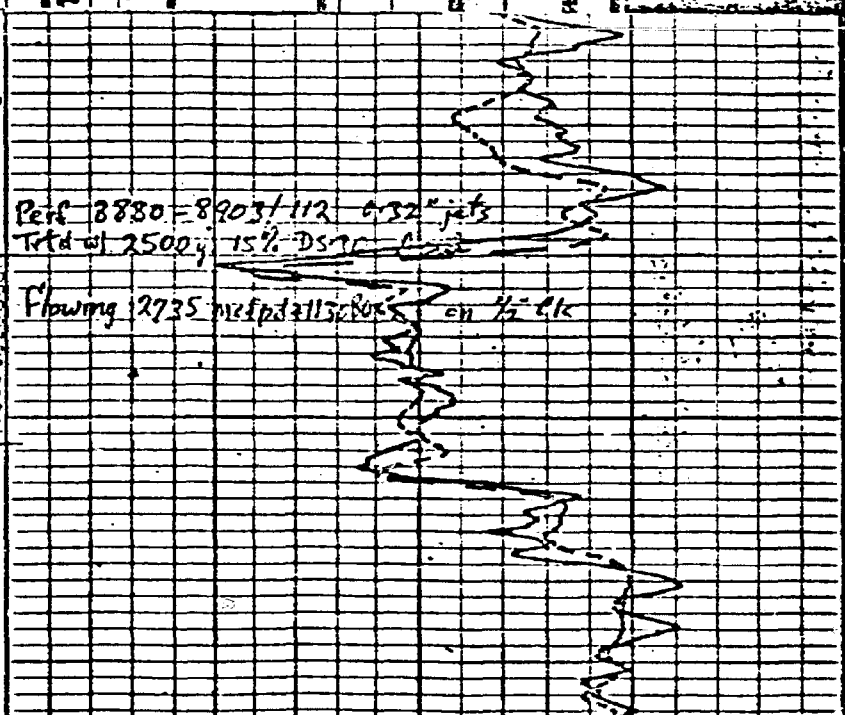
Log measured from GL Elev. 2284

Log measured from KA Elev. 18 ft. Above Perm. Datum

Elev. K.B. 2100

D.F. G.I. 2284

Log No.	Time	Temperature	Pressure	Flow	Remarks
1	10:05	88.5			
2	10:10	88.5			
3	10:15	88.5			
4	10:20	88.5			
5	10:25	88.5			
6	10:30	88.5			
7	10:35	88.5			
8	10:40	88.5			
9	10:45	88.5			
10	10:50	88.5			
11	10:55	88.5			
12	11:00	88.5			
13	11:05	88.5			
14	11:10	88.5			
15	11:15	88.5			
16	11:20	88.5			
17	11:25	88.5			
18	11:30	88.5			
19	11:35	88.5			
20	11:40	88.5			
21	11:45	88.5			
22	11:50	88.5			
23	11:55	88.5			
24	12:00	88.5			
25	12:05	88.5			
26	12:10	88.5			
27	12:15	88.5			
28	12:20	88.5			
29	12:25	88.5			
30	12:30	88.5			
31	12:35	88.5			
32	12:40	88.5			
33	12:45	88.5			
34	12:50	88.5			
35	12:55	88.5			
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37	13:05	88.5			
38	13:10	88.5			
39	13:15	88.5			
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41	13:25	88.5			
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53	14:25	88.5			
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57	14:45	88.5			
58	14:50	88.5			
59	14:55	88.5			
60	15:00	88.5			



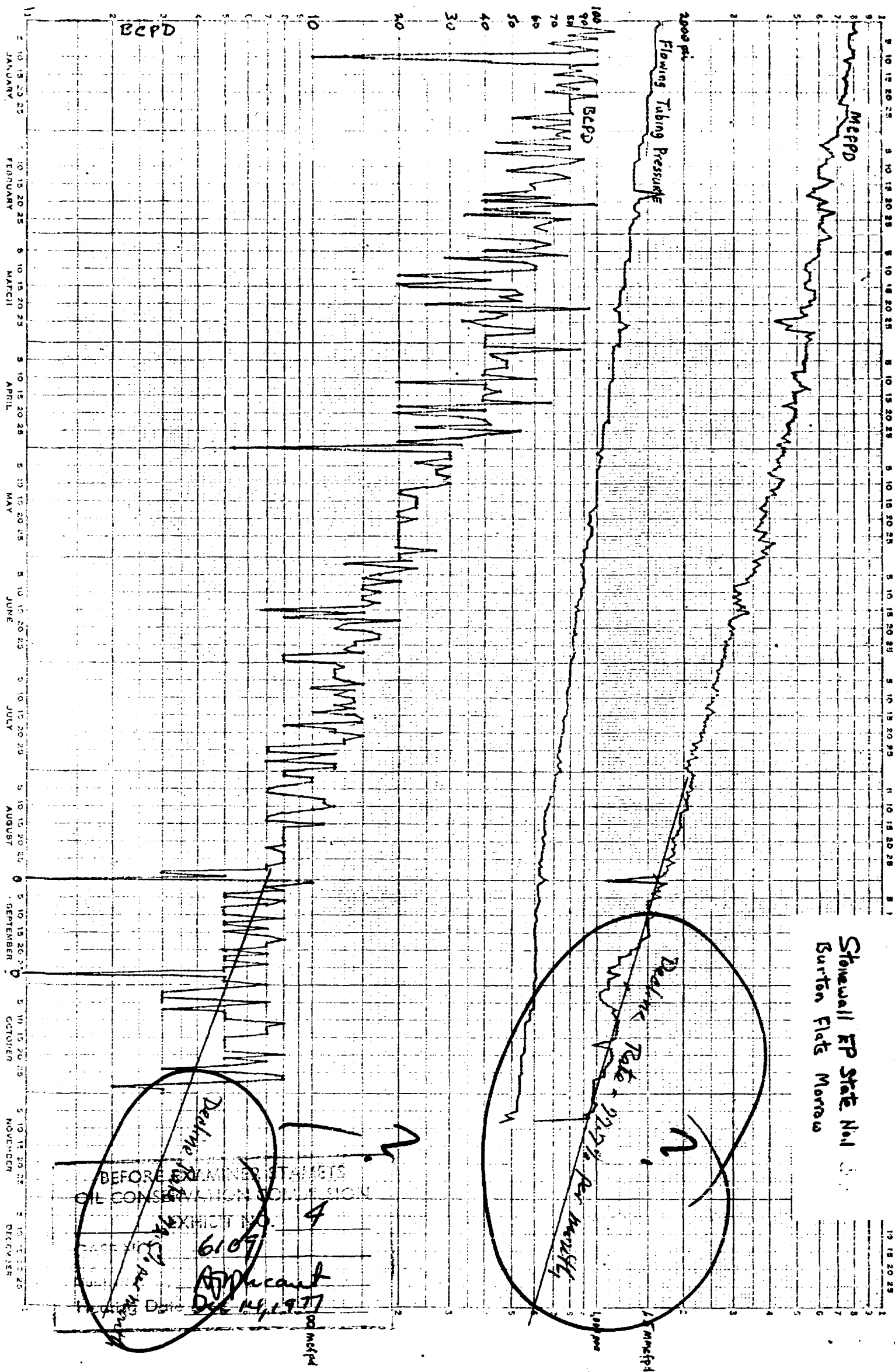
BEFORE THE MINERALS
OIL COMMISSION
ANTONIO 3

CASE NO. 6109

SIGNED Antoniou

DATE 11/14/1977

Stonewall EP State No. 1
Burton Flats Morrow



BEFORE EXAMINED STAMPS
OIL CONSERVATION COMMISSION
DECLINE RATE 61.0%
APPLICANT
DATE 11/19/77

Dockets Nos. 1-78 and 2-78 are tentatively set for hearing on January 4 and 18, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 14, 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. Nutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for January, 1978, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6101:** Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Nopal Draw Unit Area comprising 1920 acres, more or less, of Federal and Fee lands in Township 21 South, Range 25 East, Eddy County, New Mexico.
- CASE 6102:** Application of Transocean Oil, Inc., for a unit agreement, Catron County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Quemado Unit Area comprising 33,844 acres, more or less, of Federal, State, and Fee lands in Township 2 North, Ranges 15, 16, and 17 West, Catron County, New Mexico.
- CASE 6103:** Application of Getty Oil Company for expansion of its Fren Seven-Rivers Waterflood Project and 28 dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Fren Seven-Rivers Waterflood Project by injection of water into the Seven-Rivers formation thru 32 wells in its Getty Unit Area, Township 17 South, Range 31 East, Eddy County, New Mexico, 28 of which wells would be dual completions in the Fren Seven-Rivers Pool and the Grayburg-Jackson Pool.
- CASE 6104:** Application of Betrice Bedingfield for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation thru the open-hole interval from 487 feet to 517 feet in her Sunray State Well No. 1 and from 500 feet to 552 feet in her Hastie Well No. 8, located in Unit E of Section 30 and Unit F of Section 18, respectively, both in Township 17 South, Range 28 East, Empire Yates-Seven Rivers Pool, Eddy County, New Mexico.
- CASE 6105:** Application of Mewbourne Oil Company for creation of an associated gas pool and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the Querecho Plains-Queen Oil Pool as an associated pool and approval of a 120-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 22 and the NW/4 SW/4 of Section 23, both in Township 18 South, Range 32 East, Lea County, New Mexico, to be dedicated to its Federal "F" Well No. 1 located in Unit L of said Section 23.
- CASE 6106:** Application of Mesa Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 31, Township 15 South, Range 36 East, Lea 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 6108:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bradshaw IY Com Well No. 1 to be located 660 feet from the South and West lines of Section 35, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, the S/2 of said Section 35 to be dedicated to the well.
- CASE 6109:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Burton Flat-Morrow and North Burton Flat-Wolfcamp production in the wellbore of its Stonewall EP State Well No. 1 located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico.
- CASE 6110:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Kennedy Farms-Morrow and Kennedy Farms-Atoka production in the wellbore of its Caffall FD Com Well No. 1 located in Unit O of Section 15, Township 17 South, Range 26 East, Eddy County, New Mexico.



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

Memo No. 6-77

NOTICE! NOTICE! NOTICE! TO ALL OPERATORS FROM JOE D. RAMEY, SECRETARY-DIRECTOR

THIS IS A FINAL REMINDER THAT ALL EXISTING ONE-WELL AND BLANKET PLUGGING BONDS MUST BE REPLACED BY NEW BONDS ON THE REVISED FORMS PRIOR TO JANUARY 1, 1978.

This requirement is in accordance with Commission Order No. R-5432 entered May 24, 1977.

The most recent reminder of this requirement was sent to all operators by OCC Memorandum No. 5-77 dated October 17, 1977, and explained that if replacement bonds are not on file and approved by the deadline date, operators will be required to shut in all producing, drilling, and injection wells.

Response to the requirement for replacement bonds has been less than adequate. At this writing, there still remain more than one thousand bonds which have not yet been replaced, and there is less than one month before the deadline.

This is the final reminder that will be sent to operators to replace existing bonds by January 1, 1978, or face the shutting in of wells.

JDR/DSN/jr

December 2, 1977

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION FOR
DOWNHOLE COMMINGLING, EDDY COUNTY,
NEW MEXICO.

Case No.

6109

~~6108~~

APPLICATION

COMES NOW Yates Petroleum Corporation, by its
attorneys, and in support hereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian
system at a location 1,980 feet from the north and 1,980 feet
from the west of Section 30, Township 20 South, Range 28 East,
N.M.P.M., upon which it has drilled its Stonewall "EP" State
No. 1 Well. The well is not located within the boundaries of
any defined gas pool.

2. The applicant has completed said well in the
Burton Flats Morrow from 11,250 feet to 11,255 feet and pro-
poses to commingle said formation with the Burton Flat Wolf
Camp formation which is perforated at 8,880 to 8,908 feet.

3. That the downhole commingling of such well is
feasible in accordance with good conservation practices and
will otherwise prevent waste and protect correlative rights.


WHEREFORE, applicant prays:

A. That this application be set for hearing before
an examiner and that notice of said hearing be given as re-
quired by law

B. That upon hearing the Commission enter its order granting applicant permission to commingle downhole its Stonewall "EP" State No. 1 Well for the production of gas from the Burton Flat Morrow and the North Burton Flat Wolf Camp formations.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 
Losee & Carson, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

Joel Carson Phone in 11/23/

App 1 Yates Pct Corp Case 6109

DHC Stonewall EPSVete

No 1 1980 NW 30-20S-28E

Eddy Co. Burton Flat - Morrow

Gas N. Burton Flat - Wolfcamp Gas

DHC Caffall FD #1 ^{cin}

660S 1980E 15-17S-26E

Eddy Co. Kennedy Farms - Morrow

Gas Kennedy Farms - Packed Gas

NSK Bradshaw IY ^{cin}

No 1 660S & W 35-17S-26E

S/2 dedication

Kennedy Farms Field
Eddy Co.