

CASE 6245: GERMANY INVESTMENT CO.
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO

CASE NO.

6245

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
7 June, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Germany Investment
Company for downhole commingling,
Eddy County, New Mexico.

CASE
6245

BEFORE: Daniel S. Nutter.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

W. Thomas Kellahin, Esq.
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I N D E X

HOWARD E. HANSEN

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Nutter	11

E X H I B I T S

Applicant Exhibit One, Plat	11
Applicant Exhibit Two, Bottom Hole Pressure	11
Applicant Exhibit Three, Bottom Hole Pressure	11
Applicant Exhibit Four, Bottom Hole Pressure	11

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MR. NUTTER: Call Case 6245, which is the application of Germany Investment Company for downhole commingling, Eddy County, New Mexico.

MR. KELLAHIN: I'm Tom Kellahin of Kellahin and Fox, appearing on behalf of Germany Investment Company, and I have one witness.

(Witness sworn.)

HOWARD E. HANSEN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you are employed, and in what capacity?

A My name is Howard E. Hansen. I'm employed by Germany Investment Company as a geologist and Exploration Man.

Q Have you previously testified before this Commission, Mr. Hansen?

A No, I have not.

Q For the benefit of the Examiner, would you tell him when and where you obtained your degree in geology?

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1 A. I was graduated from Southern Methodist Uni-
2 versity in 1950 and have worked continuously since that
3 time in petroleum geology.

4 Q. You received a Bachelor of Science from SMU
5 in '50?

6 A. Yes, Bachelor of Science.

7 Q. And subsequent to that date, briefly, where
8 have you been employed and in what capacities?

9 A. I've been employed by the Germany Companies,
10 which are Calgo Oil Company, d/b/a Germany and Sons, and
11 Germany Investment Company since that time.

12 Q. In addition to being a geologist, have you
13 had any experience in reservoir engineering?

14 A. Yes, I have been on numerous reservoir com-
15 mittees for unitization of fields in Mississippi and Texas
16 and have handled completions and production workovers on
17 our own production in states including part of this well
18 in New Mexico.

19 MR. KELLAHIN: We tender Mr. Hansen as a --

20 MR. NUTTER: Mr. Hansen is qualified. Please
21 proceed.

22 Q. (Mr. Kellahin continuing.) Would you please
23 refer to Exhibit Number One, identify it, and explain
24 what the Applicant is seeking.

25 A. Exhibit Number One is a xeroxed copy of a

1 land plat, primarily to show location of the well with
2 relation to its position in the Burton Flat North Field
3 in Eddy County.

4 On this plat we have our well circled in red
5 and you might notice that I have circled a well to the
6 south, which is in blue, which is a Cities Service No. 1
7 CT State, which according to completion information pub-
8 lished, is also completed in both the Wolfcamp and the
9 Canyon Zones in this field.

10 Q What's the proration unit dedicated to the
11 subject well?

12 A This proration unit is the east half of Sec-
13 tion 9. It's a USA lease, which we have 7/8ths and
14 Superior Oil Company has one 40-acre tract, the southeast
15 southeast, which will be communitized for the unit.

16 Q What's the current status of the well, Mr.
17 Hansen?

18 A The present status, the well is "shut-in
19 waiting on approval of commingling for negotiating a
20 casing head gas contract with Phillips Petroleum.

21 Q When was it originally drilled?

22 A The well was originally drilled in 1977. We
23 did our original testing in March and April of 1977 and
24 came back to do further testing at the beginning of Feb-
25 ruary, 1978.

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1 Q Has the subject well produced from any zones?

2 A No, only the amount of production during the
3 testing periods when we were trying to establish commer-
4 cial production.

5 Q Let me refer you to what we have marked as
6 Exhibit Number One and have you identify it.

7 A Exhibit Number One is a bottom hole pressure
8 test that we made of the Wolfcamp zone on this well in
9 April of 1977. This was made after the well had been
10 shut-in some 96 hours and shows a bottom hole pressure at
11 9167 of 2976 pounds. This was when the well had a shut-in
12 tubing pressure of 1969 pounds.

13 To give you a little history of this well, we
14 drilled the well total depth of 11,384 feet and originally
15 tested the Morrow sands, which were noncommercial, making
16 a little gas but in commercial rate.

17 They were bridge-plugged and we came up and
18 tested the Canyon zone at 9776 to 9800, which produced,
19 according to our flow rates the several days we tested it,
20 probably a maximum of 70,000 cubic feet of gas and anywhere
21 from six to ten barrels of condensate per day. This was
22 considered noncommercial, so we set a bridge plug at
23 approximately 9750 -- I mean 9650, and came up the hole
24 and perforated the Wolfcamp section, from about 9068 through
25 9250 in the various scattered porosity streaks that we

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1 had in the Wolfcamp. These porosity streaks would not
2 correlate with the Wolfcamp production in the Cities Ser-
3 vice wells to the east, which are the 2-AB and 3-AB govern-
4 ment wells operated by Cities Service.

5 So we perforated and tested the Wolfcamp sec-
6 tion and here again, the production was, after several
7 days of testing, approximately 70,000 cubic feet of gas
8 and another six to eight barrels of condensate on the
9 final testing. Flowing tubing pressure declined below
10 50 pounds and we were really unable to sustain production
11 for any period of time.

12 So we shut in the well to try to decide what
13 our next course would be, We had acidized both of these
14 zones with what would have been considered enough acid
15 to adequately open up any porosity that could be reached
16 in the wellbore, and after many months we decided to try
17 to drill out the bridge plug and see if by commingling
18 the Wolfcamp and the Canyon zones, that we could make a
19 marginal producing well that would produce more than the
20 required 100,000 cubic feet a day to secure the casing
21 head gas line connection.

22 Q Will either zone, in your opinion, produce
23 sufficient gas by itself in order to meet those require-
24 ments of the pipeline?

25 A No, sir. According to our testing we would

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1 be fortunate to keep it flowing at all with the volume that
2 we were getting in the several days testing in each zone.

3 Q Now, let me take you through the rest of your
4 exhibits here.

5 Would you identify Exhibit Number Three for
6 me, please?

7 A Okay, Exhibit Number Three is the bottom hole
8 pressure test we ran when we came back to resume work on
9 the well in November of 1977. Now, at this time the well
10 had been shut-in six months and the shut-in tubing pres-
11 sure had increased to exactly what had been the bottom
12 hole pressure during the 96-hour test, and the calculated
13 bottom hole pressure this time was 4123. Of course, this
14 indicates an almost complete lack of permeability in the
15 zone, so long periods of shut-in, the normal bottom hole
16 pressure will build up.

17 Q Please identify Exhibit Number Four.

18 A Exhibit Number Four is bottom hole pressure
19 test on the 2nd of June, of this month, of the two zones
20 together and we have both zones open to the wellbore and
21 actually the shut-in time was slightly under three months;
22 it's shown as three months here, but in that time tubing
23 pressure had come up to 1974 pounds and the calculated
24 bottom hole pressure at 9788 was 3714.

25 MR. NUTTER: Okay, now that's Exhibit Number

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1 Four you're talking about. Is that the one that up here
2 is typed as Exhibit Number Three?

3 MR. KELLAHIN: Yes, sir.

4 A. Yes, sir. I had the plat as Exhibit Number
5 Four.

6 MR. NUTTER: And it's Exhibit One?

7 A. And it was changed to Exhibit One at the sug-
8 gestion of our attorney so we could locate the area a
9 little better by using that as Exhibit One.

10 Q. (Mr. Kellahin continuing.) All right, Mr.
11 Hansen, what then is the pressure for the Wolfcamp?

12 A. The pressure for the Wolfcamp, I would say
13 had we taken the pressure at a 3-month interval, would
14 have been something very close to the combined pressures,
15 3700, because of the slow build-up indicated in the six-
16 month period. The pressure made it's way to 4123 and the
17 pressure build-up on this, with the fluid level as shown
18 on this Exhibit Four at 4750 feet, indicates that pro-
19 bably bottom hole pressure would continue to build over
20 a shut-in period for the two zones combined.

21 Q. What is the pressure for the Canyon?

22 A. Well, the pressure for the Canyon is, as near
23 as I could interpolate time with pressure build-up with
24 this, would have been somewhere slightly in excess of
25 4200 pounds.

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1 Q What, in your opinion, then, Mr. Hansen, is
2 the pressure differential between the two zones?

3 A The pressure differential between the two zones
4 would probably be less than 100 pounds. The fact that
5 both zones are actually covered by fluid when the well is
6 shut in would indicate that there is no cross feed of gas
7 and there is certainly not enough permeability for the
8 zones to take any fluid.

9 Q In your opinion is the Wolfcamp and the Canyon
10 zones in this particular well economically marginal?

11 A This we hope. They will qualify for a gas
12 connection on this basis and we hope that they will sus-
13 tain production over a long period of time to be commercial,
14 since the line that we will be putting them into will have
15 a maximum of 40 pounds of pressure.

16 Q Is the ownership common for both zones?

17 A The ownership for both zones is the same.

18 Q And how would you recommend to the Examiner
19 that you allocate the production between the two zones?

20 A Well, since the zones have produced approxi-
21 mately the same thing on testing individually, I would
22 recommend that we allocate the production 50 percent to
23 each zone.

24 Q In your opinion, Mr. Hansen, are the fluids
25 and the gas in each of the zones compatible?

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1 A. We had no chemical analysis made but the -- but
2 the gas burned the same color flare and the condensate
3 was the same color and commingled in the test tank where
4 we were testing them, there was no way to tell them apart.

5 Q Were Exhibit One through Four prepared by
6 you directly or compiled under your direction and super-
7 vision?

8 A Exhibits One was compiled by me and the other
9 three were at my direction.

10 Q In your opinion, Mr. Hansen, will approval
11 of this application be in the best interests of conserva-
12 tion, the prevention of waste, and the protection of cor-
13 relative rights?

14 A Yes, sir, I believe it will.

15 MR. KELLAHIN: We move the introduction of
16 Exhibits One, Two, Three, and Four.

17 MR. NUTTER: Germany Exhibits One through
18 Four will be admitted in evidence.

19

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CROSS EXAMINATION

21

BY MR. NUTTER:

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Q Mr. Hansen, you said you had no gas analysis.
How about the liquids produced from each zone, have you
at least got a gravity on each of those?

A It was a field test gravity. It was not --

1 the gravity was -- was approximately 54.7 to 54.8 on both
2 of the zones.

3 Q On each one separately?

4 A Yes, sir.

5 Q What does this liquid look like?

6 A It is a very light yellow color with a greenish
7 tint in the sunlight.

8 Q So it looks more like a condensate than it
9 does an oil?

10 A It's definitely condensate, yes.

11 Q The GOR's are relatively low. That's the
12 reason I was asking.

13 A Well, of course, it produces very little gas
14 and I think that's the main reason for the low ratios.

15 Q Well now, the Commission, I believe, created
16 a Wolfcamp gas pool in this area, did they not?

17 Or do you know?

18 A I'm not really familiar; I assume they must
19 have for the Cities Service wells.

20 Q I think I recall that we did have a gas pool
21 in here in the Wolfcamp, although it was a relatively low
22 GOR gas pool.

23 A Since both of the Cities Service wells ac-
24 tually have a low gas -- well, I wouldn't say low, but
25 they produce a lot of condensate with the gas.

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1 Q Well now, there are three Cities Service wells
2 in the Wolfcamp in the area, aren't there?

3 A Yes, sir.

4 Q And the one to the south of your well is
5 commingled in the wellbore?

6 A It's commingled in the wellbore, to my know-
7 ledge. The completion reports that I have seen show that
8 both the Wolfcamp and the Canyon were perforated. I have
9 no knowledge of any docket number or anything where they
10 were approved.

11 Q How about the other two wells? Are they
12 single completions in the --

13 A The other wells are single completions in
14 the Wolfcamp and the 4-AB Well to the west has tested
15 both zones and is waiting on compression to produce from
16 the Wolfcamp at a different porosity some 300 feet below
17 where we're perforated in the Wolfcamp.

18 Q It is Wolfcamp, though?

19 A It's Wolfcamp, Lower Wolfcamp, yes, sir.

20 Q Now, the other two that are single completions
21 would be this 3-AB, which is directly east of your well,
22 and then the well that's east of that, also?

23 A Yes, sir, the 2-AB. They're both -- they're
24 both flowing into common storage for the fluids, I believe,
25 and connected to the same gas line.

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1 Q Okay. Now what is the -- with your application
2 for the hearing, Mr. Germany, we have this Federal form
3 9331, which indicates some productivity tests and also --
4 of gas and condensate. Are these up to date? Are these
5 the latest figures that you have for the productivity of
6 the two zones?

7 A Yes, sir, this was made after the testing that
8 we did in February of this year, February and early March.

9 Q Well now, this form that you sent in indicates
10 that when you perforated the Canyon you produced something
11 less than 100 Mcf of gas per day and 3-1/2 barrels of
12 condensate.

13 A Yes, sir, it varied but that was about the
14 average.

15 Q And I've got a GOR marked here in my hand-
16 writing, I don't know if you gave this to me over the
17 telephone or if I calculated it, with a GOR of 28,570 to 1.

18 A I don't believe I gave it to you. I don't --
19 I think I marked it on this completion report as 15,000
20 to 1, but that was just actually the last test.

21 Q Well, that was the combined test, wasn't it,
22 the 15,000 to 1?

23 A Yes, sir, that's right.

24 Q Okay, then the Canyon, according to this in-
25 formation we have here, calculates 28,570 to 1.

1 A. Yes, sir, that was --

2 Q. And the Wolfcamp calculates 19,444 because of
3 a productivity of 70 Mcf of gas and 3.6 barrels of con-
4 densate.

5 A. Yes, sir. The Wolfcamp -- let's see -- now
6 on this, this 70 Mcf and 3.6 barrels, now that was the
7 test prior to the shut-in periods.

8 Q. That's an old test, then?

9 A. That's an old test, yes, sir.

10 Q. Do you have a new test on the Wolfcamp alone?

11 A. Yes, sir. The last test on the Wolfcamp alone
12 okay, the last -- of course, this, as I say, was after a
13 six-months shut-in period.

14 The last test we had on January 31st before
15 we drilled out the bridge plug, was 95,000 cubic feet per
16 day rate and there had been a total of 56 barrels of con-
17 densate accumulated in the casing. It had produced at
18 that rate in approximately two days, unloading and de-
19 creasing all the while.

20 Q. So you didn't have a stabilized test on that?

21 A. Did not have a stabilized test on that.

22 Q. Now, have you obtained a recent test of your
23 stabilized flowing conditions for both zones?

24 A. The most recent we had was on February the
25 14th of this year.

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1 Q Okay.

2 A They produced at the rate of 150,000 cubic
3 feet per day and, let's see, the last -- the last flow
4 was 10 barrels of condensate with 150,000 cubic feet per
5 day on February 14th of 1978.

6 Q That would be 15,000, wouldn't it?

7 A 15,000 to 1, yes, sir.

8 Q How do you propose to produce the well, Mr.
9 Hansen? Would you have to artificially lift this well?

10 A No, sir, we hope not. According to -- we
11 ran it through -- we put it on an intermitter and we have
12 it about six hours off and four hours on, and it, at that
13 rate -- no, wait a minute, I'll correct that.

14 We reset the intermitter to flow 1-1/2 hours
15 and shut in 4-1/2 hours and at that rate the well flows
16 with a tubing pressure of approximately 100 pounds against
17 100 pounds on the separator.

18 Q Well, how about water, Mr. Hansen? I notice
19 one of these bottom hole pressure charts up here shows
20 a double break in the --

21 A That's right, the well has not completely
22 cleaned up yet. Actually, during the other testing periods
23 we never -- we produced the well to where there was no
24 water being made that we could find, so after the well
25 was killed and the two zones commingled for the testing,

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1 the water that was introduced to kill the well has not
2 completely depleted, evidently.

3 Q So you don't think this is connate water that's --

4 A No, sir, I don't think so.

5 MR. NUTTER: Are there any further questions
6 of Mr. Hansen? He may be excused.

7 Do you have anything further, Mr, Kellahin?

8 MR. KELLAHIN: That's all.

9 MR. NUTTER: Does anyone have anything further
10 they wish to offer in Case Number 6245?

11 We'll take the case under advisement.

12 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6245, heard by me on 6/7, 1978.
[Signature], Examiner
New Mexico Oil Conservation Commission

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STATE OF NEW MEXICO
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June 16, 1978

Mr. Tom Kellahin
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Attorneys at Law
Post Office Box 1769
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Re: CASE NO. 6245
ORDER NO. R-5749

Applicant:

Germany Investment Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6245
Order No. R-5749

APPLICATION OF GERMANY INVESTMENT
COMPANY FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 7, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of June, 1978, the Division Director,
having considered the testimony, the record, and the recommenda-
tions of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Germany Investment Company, is
the owner and operator of the USA 9 Well No. 1, located in Unit
I of Section 9, Township 20 South, Range 28 East, NMPM, Eddy
County, New Mexico.
- (3) That the applicant seeks authority to commingle Wolf-
camp and Canyon gas and condensate production within the wellbore
of the above-described well.
- (4) That from the Wolfcamp zone, the subject well is
capable of low marginal production only.
- (5) That from the Canyon zone, the subject well is capable
of low marginal production only.
- (6) That the proposed commingling may result in the recovery
of additional gas and condensate from each of the subject pools,
thereby preventing waste, and will not violate correlative rights.

-2-

Case No. 6245
Order No. R-5749

(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 Division 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 Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas and condensate production should be allocated to the Wolfcamp zone, and 50 percent of the commingled production to the Canyon zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Germany Investment Company, is hereby authorized to commingle Wolfcamp and Canyon production within the wellbore of the USA 9 Well No. 1, located in Unit I of Section 9, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That 50 percent of the commingled gas and condensate production shall be allocated to the Wolfcamp zone and 50 percent of the commingled production shall be allocated to the Canyon zone.

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

F A L

fd/

CASE 6204: (Reopened and Readvertised)

Application of Producing Royalties, Inc., for an exemption from the Natural Gas Pricing Act, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination as to whether the proration unit consisting of the NW/4 of Section 12, Township 29 North, Range 12 West, San Juan County, New Mexico, on which the Carroll-Cornell Well No. 2 is located was producing or capable of producing natural gas prior to January 1, 1975, from the Fulcher Kutz-Pictured Cliffs reservoir; if so, applicant seeks exemption from the Natural Gas Pricing Act for two replacement Pictured Cliffs wells in the same proration unit pursuant to a finding that the wells are justified for reasons other than avoiding the application of the Act.

CASE 6244: Application of Tom L. Ingram for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo Reef formation through the perforated interval from 8915 feet to 8992 feet in his State M Well No. 1 located in Unit O of Section 18, Township 17 South, Range 36 East, Vacuum-Abo Pool, Lea County, New Mexico.

CASE 6245: Application of Germany Investment Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Wolfcamp and Canyon production in the wellbore of its USA 9 Well No. 1 located in Unit I of Section 9, Township 20 South, Range 28 East, North Burton Flat Field, Eddy County, New Mexico.

CASE 6246: Application of Exxon Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for a Silurian test to be drilled 1880 feet from the South line and 825 feet from the West line of Section 30, Township 26 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 6247: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico, or statutory unitization. Applicant, in the above-styled cause, seeks approval of its North Vacuum Abo East Unit Area, comprising 866 acres, more or less, of State lands in Township 17 South, Range 35 East, Lea County, New Mexico.

In the absence of voluntary unitization, applicant seeks statutory unitization, for the purpose of pressure maintenance, of all mineral interests in the North Vacuum Abo East Unit underlying the following described lands in Township 17 South, Range 35 East, Lea County, New Mexico:

Section 7: S/2
Section 18: N/2, SW/4, and W/2 SE/4

The unitized interval would be from a depth of 4385 feet subsea to 5225 feet subsea in the Mobil State "UU" Com. Well No. 1, located in Unit F of the aforesaid Section 7.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6248: Application of Mobil Oil Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the North Vacuum Abo East Unit Area by the injection of water into the Abo formation through five wells located in Units N and P of Section 7, and Units F, H, and N of Section 18, all in Township 17 South, Range 35 East, North Vacuum Abo Pool, Lea County, New Mexico, and the promulgation of special rules governing said project.

CASE 6249: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves, Lea, and Eddy Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the Bar U-Mississippian Pool. The discovery well is Charles F. Harding State "3" Well No. 1 located in Unit G of Section 3, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 3: NE/4



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR
NICK FRANKLIN
SECRETARY

May 1, 1978

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

case 6245

Germany Investment Co.
P. O. Box 12266
Dallas, Texas 75225

Attention: Mr. Howard E. Hansen

Gentlemen:

Reference is made to your letter dated April 27, 1978, wherein you request authority for the down-hole commingling of Wolfcamp and Canyon production in the wellbore of your USA 9 Well No. 1 in Eddy County, New Mexico.

Though of comparatively low gas-liquid ratio, it is assumed that both of these zones are gas zones rather than oil zones. It will therefore be necessary to bring this matter to hearing before the requested authority can be granted.

Next available docket is June 7. We will need to know whether you wish to be on this docket by May 17, 1978.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/dr

*May 11
Mr. Hansen called
He wants to go
to Leg. This
application is
sufficient.
Jsu*

GERMANY INVESTMENT COMPANY

P. O. BOX 12266
DALLAS, TEXAS 75225

April 27, 1978

Oil Conservation Commission
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Dan Nutter,

Gentlemen,

We are attempting to make a commercial completion of the Germany Investment Company USA 9-1 well in the Burton Flat, North Field in Sec. 9-T20S-R28E of Eddy County, New Mexico. In order to obtain a commercial flow of gas we have tested the perforations in the Wolfcamp and Canyon formations together. Together the two zones will flow enough gas to allow us to make a connection to the Phillips Petroleum Company low pressure gas line in the area.

We have requested approval for the co-mingling from the U.S.G.S. and we are now requesting approval from the Oil Conversation Commission of New Mexico. Enclosed is a copy of the completion report on the subject well which we have filed with the U.S.G.S. It is our understanding that the Cities Service Oil Company "CT" 1-State in Sec. 16, T20S-R28E which is a direct south offset to this well has been granted permission to co-mingle the Wolfcamp and the Canyon in that well.

Thank you for any consideration shown our request.

Germany Investment Company

Howard E. Hansen
by Howard E. Hansen
Exploration Manager

R-5276

HEH/ds

Enc.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R355.6.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM 13232	
2. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALIOTTEE OR TRIBE NAME -----	
3. NAME OF OPERATOR Germany Investment Company		7. UNIT AGREEMENT NAME -----	
4. ADDRESS OF OPERATOR P.O. Box 12266 Dallas, Texas 75225		8. FARM OR LEASE NAME -----	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1980 From South Line 660' from East Line Sec. 9 At top prod. interval reported below Same At total depth Same		9. WELL NO. USA 9-1	
14. PERMIT NO. Jan. 10, 1977		10. FIELD AND POOL, OR WILDCAT Burton Flat, North	
15. DATE SPUDDED 1-26-77		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 9 T20S-R28E	
16. DATE T.D. REACHED 3-14-77		12. COUNTY OR PARISH Eddy	
17. DATE COMPL. (Ready to prod.) 3-03-78		13. STATE New Mexico	
18. ELEVATION (OF, RKR, RT, GR, ETC.)* 3300 K.B.		19. ELV. CASINGHEAD 3283.5	
20. TOTAL DEPTH, MD & TVD 11,386		21. PLUG, BACK T.D., MD & TVD 11,380	
22. IF MULTIPLE COMPL., HOW MANY* 2		23. INTERVALS DRILLED BY 11,386	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)* 9068-71; 9131-43; 9159 thru 76; 9242-50:- Wolfcamp Line 9776-9800 Canyon Line (Co-Mingled)		25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Laterolog - Micro SFL; Compensated Neutron Formation Density		27. WAS WELL CORED No	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE
13 3/8"	48#	600'	17 1/2"
8 5/8"	32#	2905'	12 "
4 1/2"	11.6#	11,380'	7 7/8"
CEMENTING RECORD			
AMOUNT PULLED			
Circ. to Surface 0			
1800 Sacks & 29 yds. redmix 0			
870 Sacks 0			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
None			
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2 3/8"	9945	None	
31. PERFORATION RECORD (Interval, size and number)			
Perf 11,008-43 11,182-199 Bridge Plug @ 11,100 then Bridge Plug @ 10,980 Perf 9776-9800 Perf. 9068-71; 9131-76; 9242-50			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED		
11,008-11,199	3200 Gals. Morrow Clean Up Acid		
11,008-43	Reacidized 2100 Gals. MCA		
9776-9800	17000 Gals Acid 15% HCL		
9068-9250	9000 Gals 15% HCL (2, Stages)		
33. PRODUCTION			
DATE FIRST PRODUCTION 3-03-78	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Flowing		
WELL STATUS (Producing or Shut-In) Shut-In			
DATE OF TEST 3-02-78	HOURS TESTED 24	CHOKE SIZE Variable	PROD'N. FOR TEST PERIOD 10 Bbls.
FLOW. TUBING PRESS. 100 PSI	CASING PRESSURE 200 PSI	CALCULATED 24-HOUR RATE 10 Bbls:	GAS--MCF. Est. 150
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Flared Gas during tests		WATER--BBL. Tr.	
35. LIST OF ATTACHMENTS Testing Procedure - Daily reports on Final tests & Completion		OIL GRAVITY-API (CORR.) 54.7	
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED Howard E. Hansen		TITLE Exploration Manager	
DATE 4/21/78			

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for Items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Wolf Camp	9006	9534	Very tight low permeability Lime Contains gas and condensate
Canyon	9770	9808	Same as Wolf Camp
Atoka Congl.	10,384	10,496	Tight Non-perm- possible gas
Atoka Lime	10,642	10,654	Tight Lime - Possible gas
Morrow	10,810	10,844	Sand tight low perm-
	11,008	11,044	Gas
			Sand Silty tight
			Gas:
	11,182	11,204	Sand tight, silty - contains
	11,238	11,332	Gas and Saltwater
			Sand Porous & perm -
			Saltwater

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Wolf Camp	9006	9006
Canyon	9770	9770
Atoka	10,384	10,384
Morrow	10,810	10,810

Docket No. 20-78
Case No. 6245
Exhibit A

Docket No. 20-78
Case No. 6245
Exhibit 1

PHONE
505 393-7615

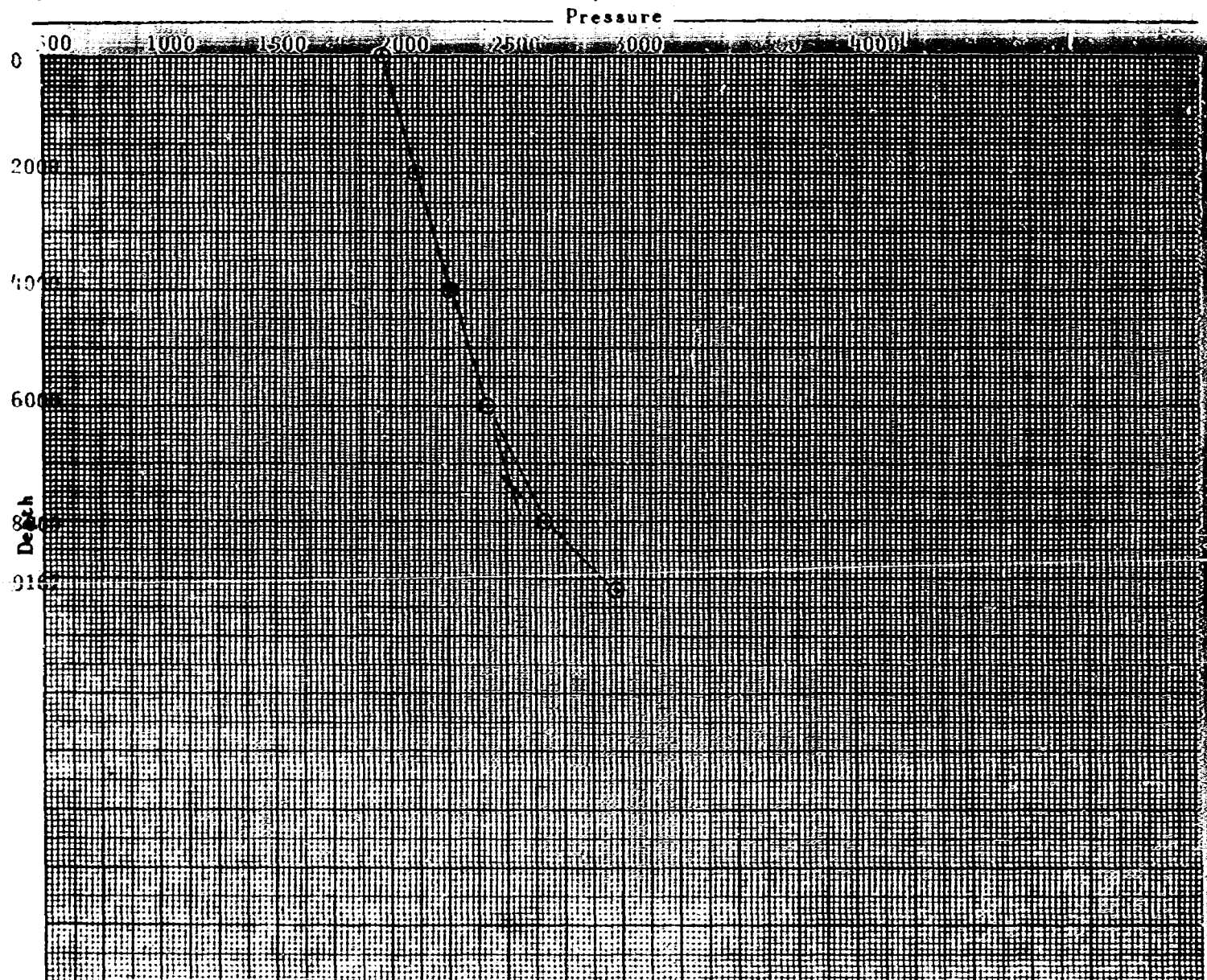
TESTERS
INC.

P. O. BOX 2099
HOBBS, NEW MEXICO 88240

BOTTOM HOLE PRESSURE RECORD

OPERATOR GERMANY INV.
FIELD FORMATION WOLF CAMP
LEASE USA-9- WELL 1
COUNTY EDDY STATE N.M.
DATE 4-26-77 TIME 1:15 PM MST
Status SHUT IN Test depth 9167 MIDPOINT CASING PERFS
Time S. I. 96 HR. Last test date
Tub Pres. 1969 BHP last test
Gas Pres. BHP change
Elev. Fluid top 7300
Datum Water top
Temp. @ 1557 Run by DAVIS
Cal. No. 39776 Chart No. # 2

Depth	Pressure	Gradient
0	1969	.072
2000	2113	.072
4000	2268	.078
6000	2423	.078
8000	2669	.123
9167	2976	.263



Docket No. 20-78
Case No. 6245

Exhibit 3

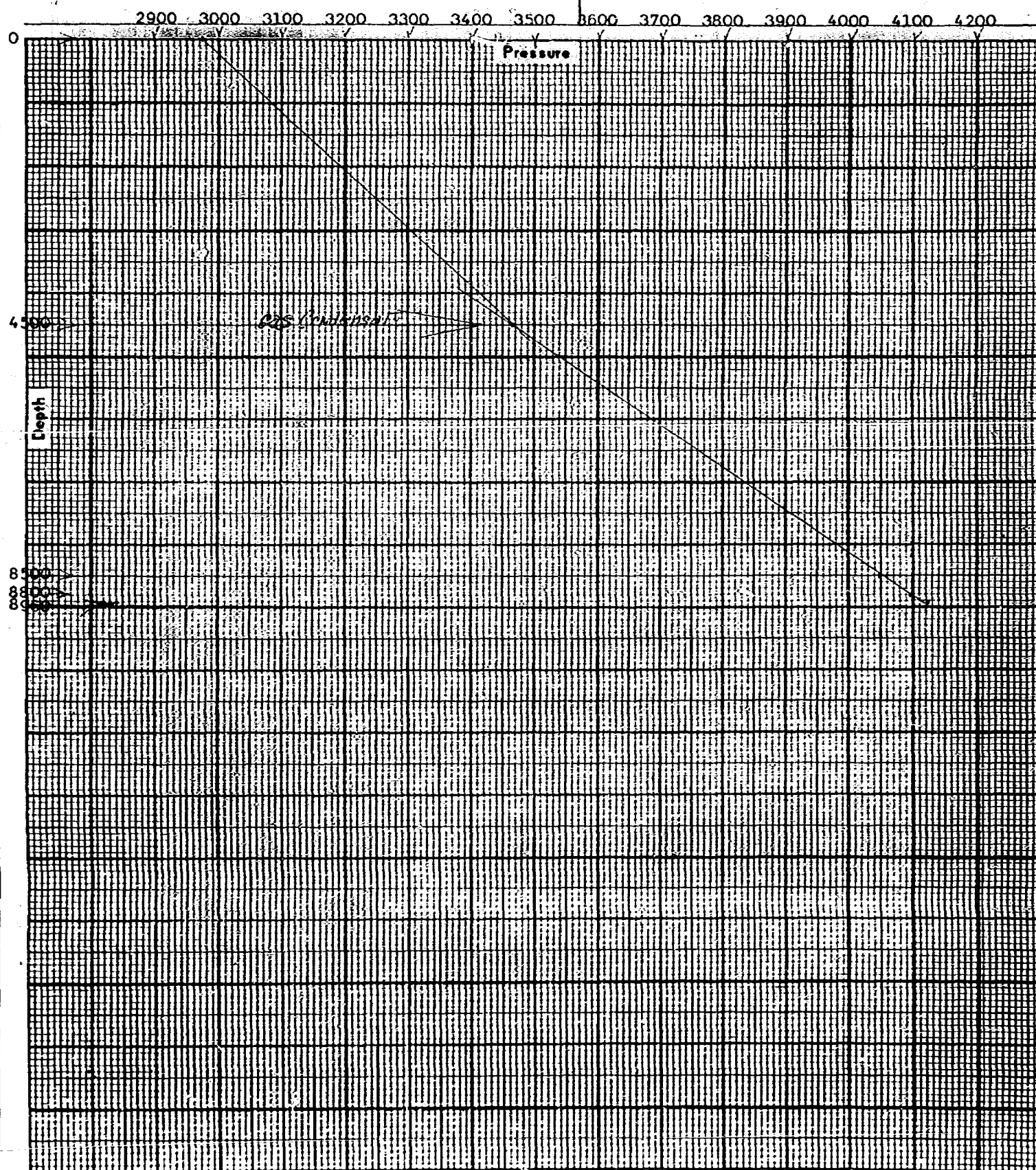
Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR JOHN SEAY
LEASE USA "9"
WELL NO. 1
FIELD _____
DATE 11/30/77 TIME 3:00 PM.

STATUS Shut-in TEST DEPTH 8,960 Ft.
TIME S.I. 6 Months LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 2976 Lbs. BHP CHANGE _____
ELEV. _____ FLUID TOP Gas condensate 4500 Ft.
DATUM _____ WATER TOP None
TEMP BH. 149 RUN BY Bennett
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	2976 Lbs.	
4500 "	3467 "	10.9
8500 "	4049 "	14.6
8800 "	4098 "	16.3
8960 "	4123 "	15.6



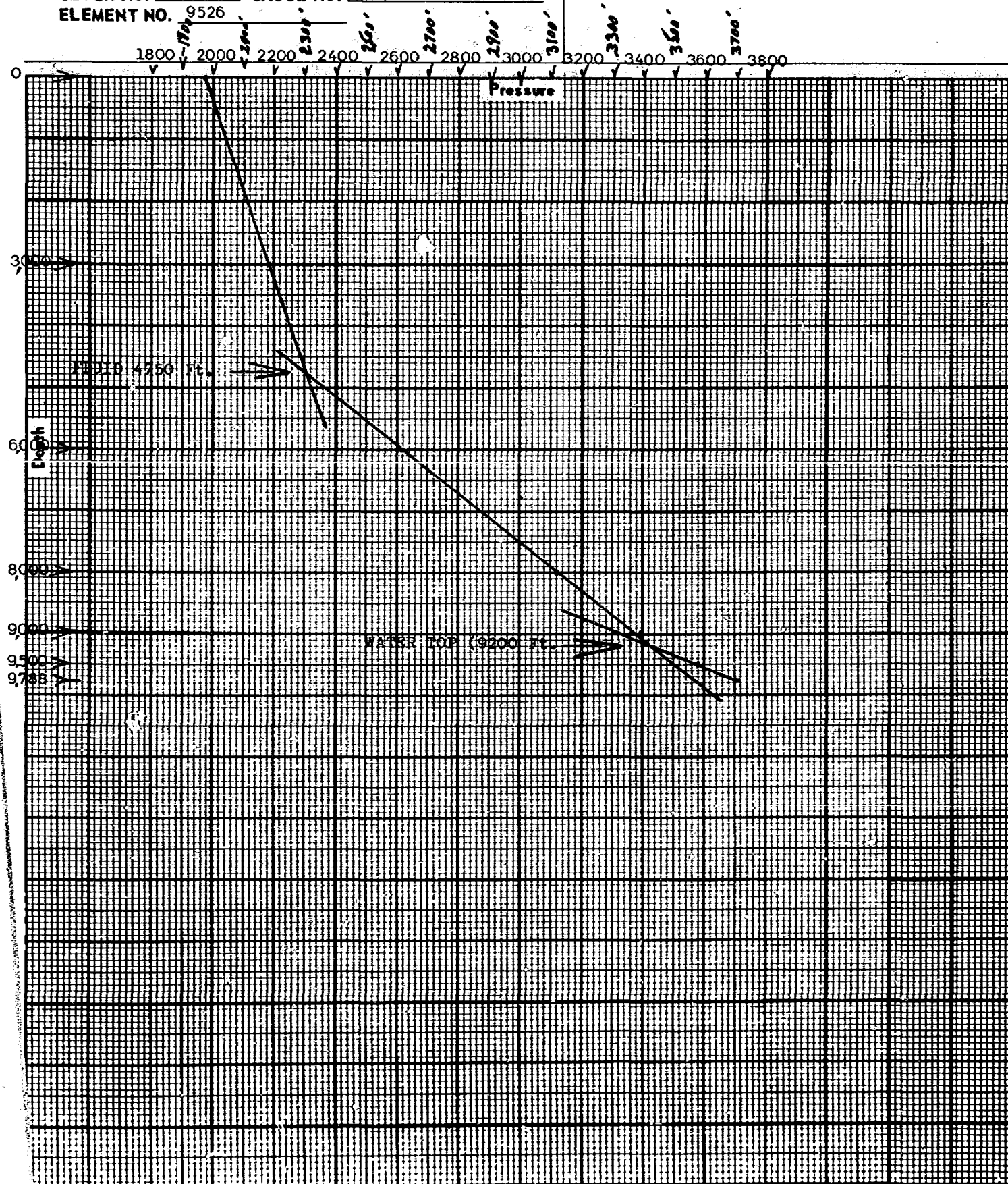
Docket No. 20-78
Case No. 6245
Exhibit 4

Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR JOHN R. SEAY
LEASE USA "9"
WELL NO. 1
FIELD _____
DATE 6/2/78 TIME _____
STATUS Shut-in TEST DEPTH 9788 Ft.
TIME S.I. 3 Months LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 1974 Lbs. BHP CHANGE _____
ELEV. _____ FLUID TOP 4750 Ft.
DATUM _____ WATER TOP 9200 "
TEMP _____ RUN BY Cathey
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	1974 Lbs.	
3000 "	2184 "	7.0
6000 "	2613 "	14.3
8000 "	3119 "	25.3
9000 "	3399 "	28.0
9500 "	3579 "	36.0
9788 "	3714 "	46.9



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE
(Other instructions on re-
verse side)Form approved.
Budget Bureau No. 42-R1424.
5. LEASE DESIGNATION AND SERIAL NO.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR	8. FARM OR LEASE NAME
3. ADDRESS OF OPERATOR	9. WELL NO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface	10. FIELD AND POOL, OR WILDCAT
14. PERMIT NO.	15. ELEVATIONS (Show whether DT, ST, OR, etc.)
Germany Investment Company	3300' KB, 3283 5G.L.
P.O. Box 12266 Dallas, Texas 75225	USA 9-1
1980 From South Line 660' from East Line Sec. 9 T20S-R28E	Burton Flat, (North
	11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
	Sec. 9 T20S-R28E
	12. COUNTY OR PARISH 13. STATE
	Eddy New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	(Other)	<input type="checkbox"/>
(Other)	<input type="checkbox"/>	(NOTE: Report results of multiple completion or Well Completion or Accomplishment Report and Log form.)	
FULL OR ALTER CASING	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
CHANGE PLANS	<input type="checkbox"/>		

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Perforated . 9776 to 9800 in Canyon Line - tested less than 100 MCF Gas per day and 3.5 Bbs.-Condensate

Set bridge plug @9750

Perforated 9068-71, 9131-40; 9143; 9159-60 9167-69; 9174-76;

9242-50 in Wolfcamp Line

tested 70 MCF Gas per day and 3.6 Bbls. condensate

Drilled out bridge plug and tested WolfCamp and Canyon together

tested at the rate of 150 MCF and 10 Bbl. condensate per day

Request permission to produce gas and condensate by

Co.- Mingling Wolf Camp and canyon.

old test
new test on WC 131-78 95 MCF & 56 Bbls
2/14/78 both zones: 150 MCF

now on intermitter: 1.5 hrs on 4.5 hrs off

18. I hereby certify that the foregoing is true and correct

SIGNED <i>Howard E. Hansen</i>	TITLE Exploration Manager	DATE 4-21-78
(This space for Federal or State office use)		

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

*See Instructions on Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

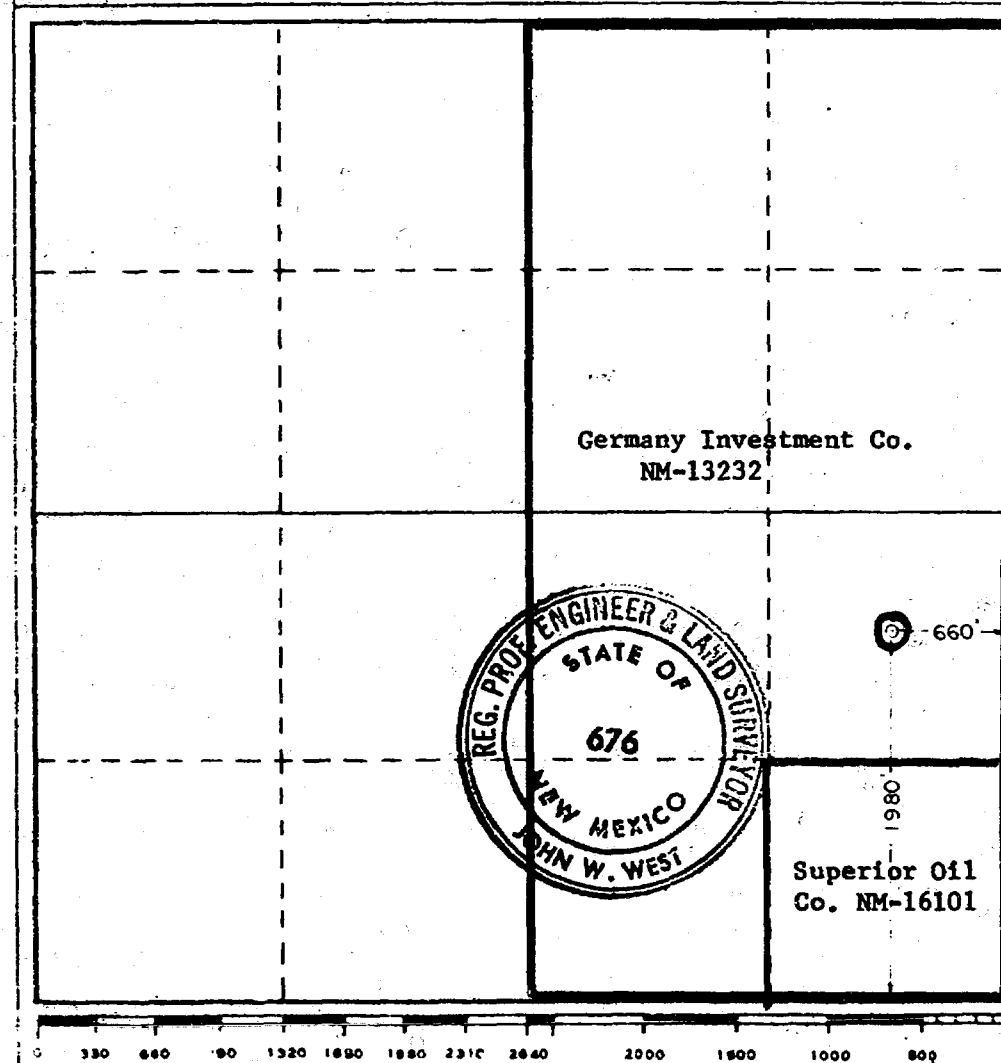
GERMANY INVESTMENT COMPANY			Lease USA 9		Well No. 1
Section I	Section 9	Township 20 South	Range 28 East	County Eddy	
Actual Well Location of Wells:					
1980 feet from the south line and		660 feet from the east line			
Ground Elev. 3283.2	Producing Formation: Morrow Test	Pool	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation To be communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) Superior Oil Co. NM-16101 and Germany Investment Company NM-13232

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Howard E. Hansen
Position Exploration Manager
Company Germany Investment Co.
Date November 18, 1976

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed Oct. 29, 1976
Registered Profession of Engineer and/or Land Surveyor

John W. West
Certificate No. 676

TO: New Mexico Oil Conservation Commission

FROM: Germany Investment Company

SUBJECT: Deviation Record

Location: U.S.A. 9-1 1980'/S, 600'/E, Sec. 9, T-20-S, R-28-E
Eddy County, New Mexico

DEVIATION REPORT

576'	1 3/4 deg.	5753'	1 1/4
765'	1	5856'	2 3/4
1015'	3/4	5942'	1 1/4
1279'	3/4	6037'	1
1735'	1/2	6161'	1 1/4
2141'	3/4	6271'	1
2636'	1	6556'	1 1/4
3288'	3/4	6836'	1
3767'	1	7179'	1
3851'	1 3/4	7490'	1
3943'	1 1/2	7710'	1
4036'	1 3/4	8085'	3/4
4133'	2	8428'	1
4227'	1 3/4	8646'	1
4320'	1 1/4	8920'	1 1/2
4440'	1	9293'	1/4
4692'	1/2	9638'	1 1/2
5069'	1/2	10,291'	1 3/4
5472'	2	10,972'	1/2
5569'	2	11,375'	1 1/4
5660'	2		

BEFORE ME, the undersigned authority on this day personally appeared R. S. Bond, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and states that he is acting at the direction and on behalf of the operator of the well identified in this instrument and that such well was not intentionally deviated from the vertical.


R. S. Bond

SUBSCRIBED AND SWORN to before me the 16th day of March, 1977.


Sue Davis

Notary Public in and for Midland
County, Texas

My Commission Expires

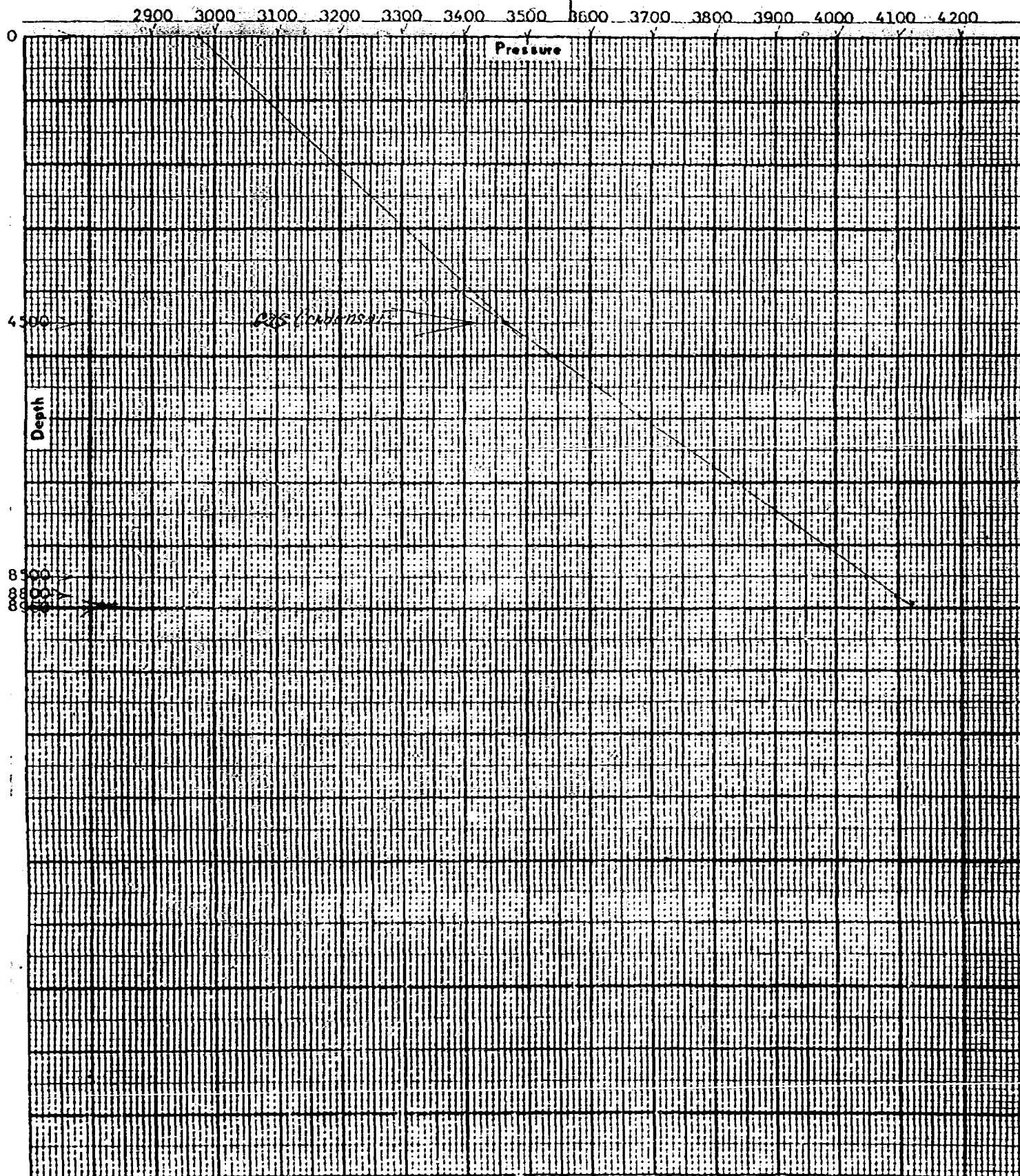

June 1, 1977

Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR JOHN SEAY
LEASE USA "G"
WELL NO. 1
FIELD _____
DATE 11/30/77 TIME 3:00 PM.
STATUS Shut-in TEST DEPTH 8,960 Ft.
TIME S.I. 6 Months LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 2976 Lbs. BHP CHANGE _____
ELEV. _____ FLUID TOP Gas condensate 4500 Ft.
DATUM _____ WATER TOP _____ None
TEMP BH. 149 RUN BY Bennett
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	2976 Lbs.	
4500 "	3467 "	10.9
8500 "	4049 "	14.6
8800 "	4098 "	16.3
8960 "	4123 "	15.6



ANDREWS
915 523-2609

BROWNFIELD
806 637-2171



Serving the Permian Basin
800 SOUTH HOUSTON
P. O. BOX 2099
HOBBS, NEW MEXICO 88240

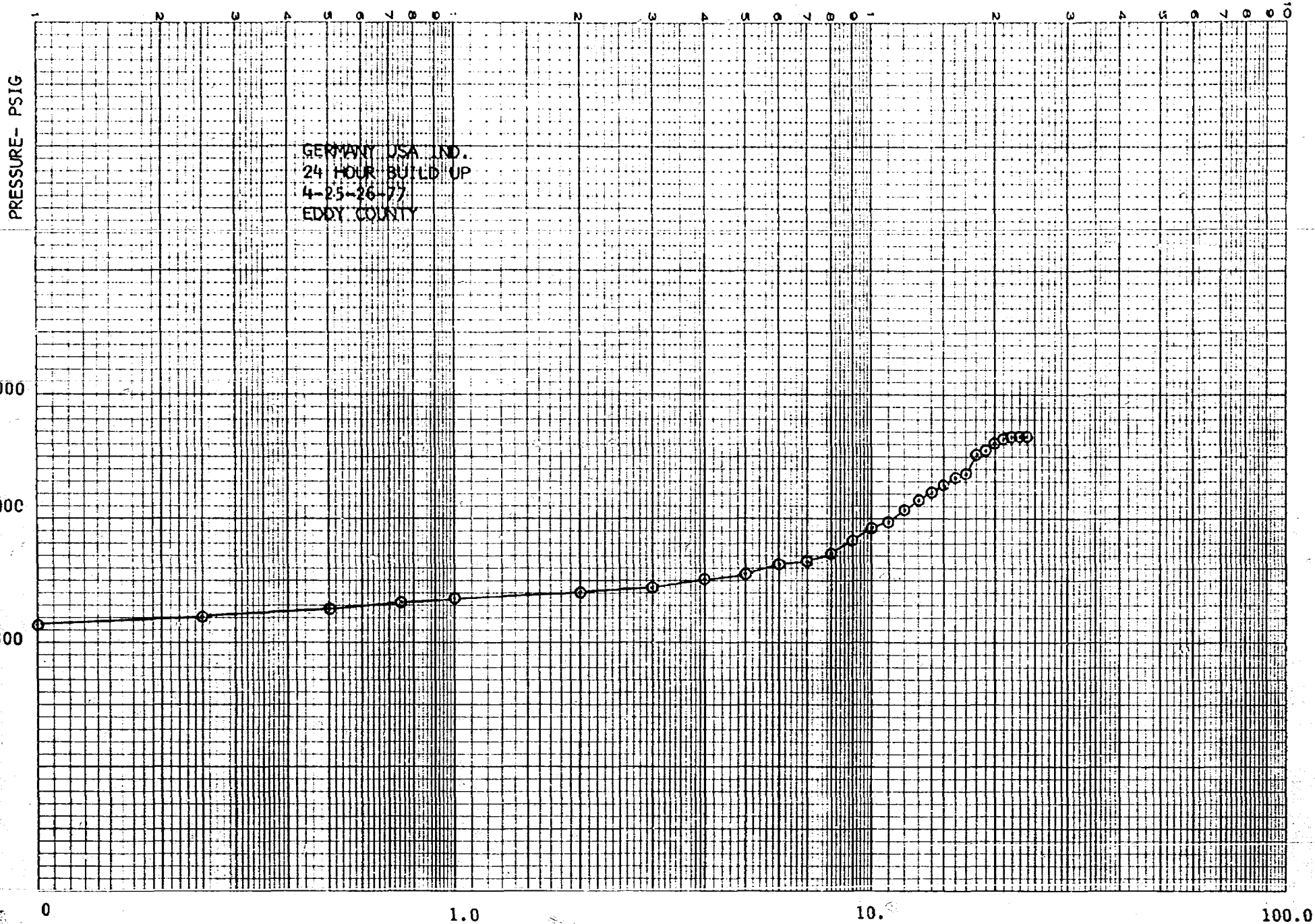
ODESSA
915 362-1152

HOBBS
505 393-7616
505 393-8071

GULF OIL CORP.

GERMANY INV. USA 9 # 1

DATE	TIME	BUILD UP MIN HOURS	DEF.	BHP	REMARKS
4-25-77	1:15 AM	0	.925	2815	
	1:30	.15	.927	2821	
	1:45	.30	.929	2827	
	2:00	.45	.931	2833	
	2:15	1	.932	2836	
	3:15	2	.934	2842	
	4:15	3	.935	2845	
	5:15	4	.937	2851	
	6:15	5	.939	2857	
	7:15	6	.941	2863	
	8:15	7	.942	2866	
	9:15	8	.944	2872	
	10:15	9	.947	2882	
	11:15	10	.950	2891	
4-26-77	12:15 AM	11	.952	2897	
	1:15	12	.956	2909	
	2:15	13	.958	2915	
	3:15	14	.960	2921	
	4:15	15	.962	2927	
	5:15	16	.964	2933	
	6:15	17	.965	2936	
	7:15	18	.970	2951	
	8:15	19	.971	2954	
	9:15	20	.973	2961	
4-26-77	10:15	21	.974	2964	
	11:15	22	.975	2967	
	12:15	23	.975	2967	
4-26-77	1:15PM	24	.975	2967	



PHONE
505 393-7616

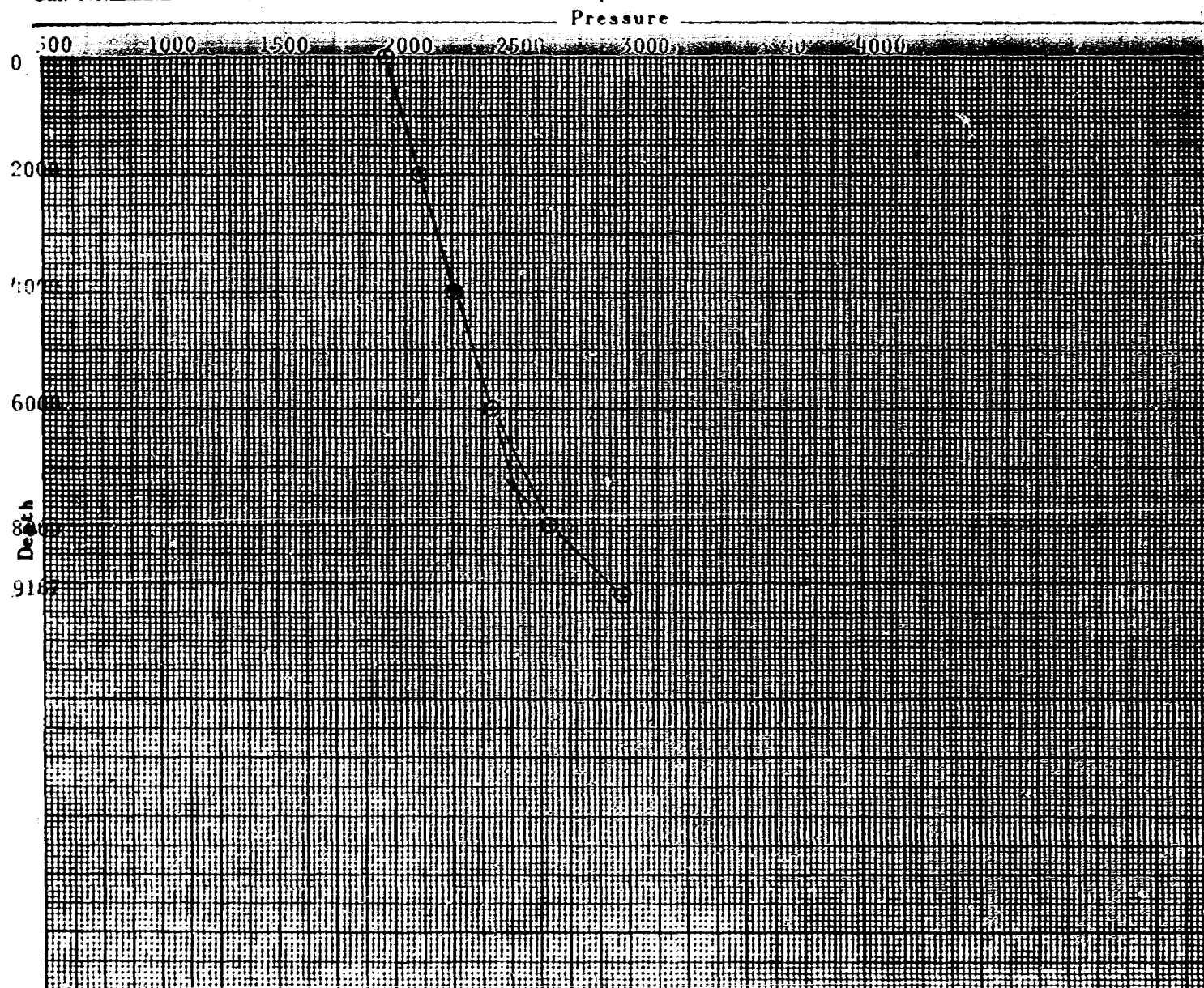
TESTERS
INC.

P. O. BOX 2099
HOBBS, NEW MEXICO 88240

BOTTOM HOLE PRESSURE RECORD

OPERATOR GERMANY INV.
FIELD FORMATION WOLF CAMP
LEASE USA-9- WELL 1
COUNTY EDDY STATE N.M.
DATE 4-26-77 TIME 1:15 PM MST
Status SHUT IN Test depth 9167 MIDPOINT
Time S. I. 96 HR. Last test date CASHING PERFS
Tub Pres. 1969 BHP last test
Gas. Pres. BHP change
Elev. Fluid top 7300
Datum Water top
Temp. @ 1557 Run by DAVIS
Cal. No. 33776 Chart No. # 2

Depth	Pressure	Gradient
0	1969	.072
2000	2113	.072
4000	2268	.078
6000	2423	.078
8000	2669	.123
9167	2976	.263



DAILY DRILLING REPORT

Germany Investment Company, et al, U.S.A. - 9-1
Section 9, T20S-R28E, Eddy County, New Mexico

- 2/15/78 Flowing and testing well on intermitter. Made 12 barrells oil, 168 MCF
Flowing against 320#, will not flow against 400#. Was flowing 1 1/2 hrs.
and shut in 4 hours on intermitter. Casing pressure built up to 750#.
Tubing pressure built up to 500#.
- 2/20/78 3 days of flowing and testing. Flowed steady against 100# back pressure.
Produced 10 barrels of oil and one barrel of water. 160 MCF to 90 averaging
95 MCF per day.
- 3/03/78 Well shut-in waiting on gas connection and contract. Last test was at the
rate of 100 MCF per day with 10 Barrels of condensate. Flowing on intermitter
against 100 PSI pressure.

DAILY DRILLING REPORT

Germany Investment Company, et al, U.S.A. - 9-1
Section 9, T20S-R28E, Eddy County, New Mexico

- 1-30-78 Moved in and connected stack-pack separator. Rigging up work-over rig and blowing down well. Will pull tubing tomorrow.
- 1-31-78 Moved in - rigged up. Flowed to pit. Flowing thru sep. on 3/4" choke FTP 100# 21 1/2 hours - 56 Bbls. Oil - no water - Gas at rate of 95 MCF per day.
- 2-01-78 Going in hole with six 3-1/8" drill collars and bit to drill out bridge plug at 9750'. Yesterday: Set blow-out preventer and released packer. Pulled 290 joints tubing out of hole. Loaded casing with 40 bbls. 2% KCL water. Gas measured at 95 MCF per day through separator with 100# back pressure on separator.
- 2-02-78 Went in hole with all tubing and drill collars. Tagged bottom - 9,694 Ft. Delayed by gas kicking. Waited on KCL water. Shut down for night. Loading hole with KCL water today.
- 2-03-78 Drilled bridge plug at 9,694 ft. - circulated out gas for 1-1/2 hours. Ran 28 joints tubing to 10,551'. Pulled out of hole and laid down drill collars. Added 2-3/8" bull plug, 1 joint of tubing and 3 ft. perforated nipple; 1 seating nipple. Ran in 48 joints of tubing and shut down for night. Going in hole with rest of tubing - swab well down until it flows.
- 2-4-78 Started swabbing-pulled swab line off in hole-fished for line-could not recover Pulled 124 stands recovered swabline and swab.
- 2-5-78 Re-ran tubing-seating nipple @ 9911 swabbed 7 1/2 hours. recovered 125 Bbls. load water-115Bbls. load remaining. Fluid level @ 6000' good gas blow for three hours
- 2-6-78 Swabbing to recover rest of load water.
- 2-7-78 13 1/2 hours shut in tubing pressure 250#; shut in casing pressure 900# bled tubing down in 10 minutes. started swabbing @10:15 A.M. - swabbed 9 hours-Recovered 110 Bbls. Load water - steady flow of Gas last four hours - good condensate show last 2 hours - swabbed down to seating nipple @9911 ft. Shut in for night casing pressure 925#
- 2-8-78 14 hrs. Shut in tubing #350 Shut in casing #1400 Open well and blew down in 10 min. Began swabbing at 8:15 A.M. Fluid level 4800' on first run Swabbing & Flowing 9 hrs. recovered Est. 60 Bbls. Load water with cond. Gas rate EST 1 MMCFD immediately behind Swab dec. to 200 MCFPD in 30 min. Shut in and shut down at 5:15P.M.
- 2-9-78 14 1/2 hrs. shut in tubing press. 500# casing 950# flowing on 3/4" choke; condensate to surface in 6 min. flowed 3 1/2 mins.-water 3 min. Heavy water spray 5 min.-Light water spray 10 min.
8:15 AM Tubing 200# CSQ-600#
8:30 AM " 150# CSQ-450#
8:45 AM " 50# CSQ-425#
9:15 AM " 10# CSQ-400#
Fluid level @ 8000 ft. 1st run of swab. - Swabbed and flowed till 4:00PM Recovered 30 Bbl. Load water with condensate. Swabbed from 9500' recovered only 2 Bbl. fluid casing pressure down to 200#
- 2-10-78 Shut in 15 1/2 hrs. tubing pressure 500# casing pressure 750# Open well on 3/4" choke. Flowed one hour. condensate to surface 7 minutes water 9 minutes gas with light water spray after 15 minutes. After 15 minutes completely dry gas, In one hour had 100# and 325# casing pressure, released well service unit at 9:00AM Shut-In 6-3/4 hours. Tubing pressure 400# casing pressure 650# open on 1/2" choke had condensate to surface in 8 minutes with water spray, After 15 minutes had condensate with light spray of water after 35 minutes gas + condensate only. Tubing pressure 200# casing pressure 475#.Closed well in for additional testing.
- 2-14-78 73 Hr. shut-in pressures 1450# tubing/1850# Casing Hooked up intermitter lhr. flow - 4 hours shut in. Flowing on 64 inch choke with 350 P.S.I. Back pressure on separator. Flowed from 11:30 AM on 10-13-78 Gas volumes varied from rate of 100 MCF per day to 700 MCF per day. No Guage on fluid-some condensate and still some load water, will continue to flow and test today.

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6245

Order No. 5749

APPLICATION OF GERMANY INVESTMENT COMPANY
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 7,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of June, 1978, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

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

(2) That the applicant, Germany Investment Company, is
the owner and operator of the USA 9 Well No. 1,
located in Unit I of Section 9, Township 20 South,
Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle
Wolfcamp and Canyon gas and condensate production
within the wellbore of the above-described well.

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

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

(6) That the proposed commingling may result in the recovery of additional ~~hydrocarbons~~ ^{gas and condensate} 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.

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

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled ~~gas and condensate~~ ^{gas and condensate} production should be allocated to the Wolfcamp zone, and 50 percent of the commingled production to the Canyon zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Germany Investment Company, is hereby authorized to commingle Wolfcamp and Canyon production within the wellbore of the USA 9 Well No. 1, located in Unit I of Section 9, 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 Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(2) That 50 percent of the commingled gas and condensate production shall be allocated to the Wolfcamp zone and 50 percent of the commingled production shall be allocated to the Canyon zone.

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

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

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