

CASE NO.

6359

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company) CASE
for downhole comingling,) 6359
Rio Arriba County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: Chester A. Blodget, Esq.
Getty Oil Company
Tulsa, Oklahoma

and

William F. Carr, Esq.
CATRON, CATRON & SAWTELL
50 Old Santa Fe Trail
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-7482
Santa Fe, New Mexico 87501

I N D E X

GERALD E. BROWN

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call Case Number 6359.

2 MS. TESCHENDORF: Case 6359. Application of
3 Getty Oil Company for downhole commingling, Rio Arriba
4 County, New Mexico.

5 MR. CARR: William F. Carr, Catron, Catron,
6 and Sawtell, appearing on behalf of the applicant. I'm
7 appearing today in association with Mr. Chester Blodget,
8 attorney for Getty Oil Company from Tulsa, Oklahoma, who
9 will present the case.

10 MR. BLODGET: And I'm Chester Blodget, and
11 I have one witness who needs to be sworn.

12 (Witness sworn.)

13
14 GERALD E. BROWN
15 being called as a witness and having been duly sworn upon
16 his oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. BLODGET:

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

22 A Gerald E. Brown, I am a Senior Staff Engineer
23 with Getty Oil Company in Denver, Colorado.

24 Q Have you previously testified before this
25 Commission and your qualifications as an engineer been ac-

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

1 cepted?

2 A. I have.

3 MR. BLODGET: We submit his qualifications
4 for approval.

5 MR. NUTTER: Yes, sir, he's qualified.

6 Q (Mr. Blodget continuing.) Are you familiar
7 with this application in Case Number 6359?

8 A. I am.

9 Q Now, have you prepared a plat of the area
10 that's involved?

11 A. Yes, I have, Exhibit One.

12 Q Now was that prepared by you or under your
13 supervision?

14 A. Yes.

15 Q And what does that plat show?

16 A. This plat shows, among other things, that we
17 have several shutin Gallup wells throughout this two con-
18 tiguous leases, the Jicarilla "B" and Jicarilla "C" lease.
19 These Gallup wells are noted in orange.

20 The plat also shows the completion of Dakota
21 Wells, the producing Gallup wells, producing Pictured Cliffs
22 wells, and producing Chacra wells. Some of these wells
23 are presently dually completed, especially in the Chacra
24 and Pictured Cliffs.

25 Q Now these are all Getty operated wells that

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

1 are shown on this plat?

2 A. Yes.

3 Q. In the colored areas?

4 A. Yes. The green shaded area is Getty 100 per-
5 cent acreage.

6 Q. All right.

7 A. The plat also shows the location of Well
8 Jicarilla "C" 27 in a red square with a red arrow pointing
9 to it, which is the prime well of this application.

10 Q. Have you prepared a schematic of that parti-
11 cular well?

12 A. Yes. Exhibit Number Two.

13 Q. Was this exhibit prepared by you or under
14 your supervision and direction?

15 A. Yes.

16 Q. Would you tell us what that shows?

17 A. Exhibit Number Two is a schematic showing the
18 casing program, the cement, the DV tools that were used.
19 Also, it shows the present Dakota perforations, which are
20 between 6983 and 7046. It also indicates the proposed com-
21 pletion in the Gallup Formation, 6050 to 6315, and it is
22 our intention to open up the Gallup -- Gallup perforations,
23 treat them and commingle them with the present Dakota per-
24 forations.

25 This well was completed in 1975 and began

1 production in 1976 from the Dakota Formation.

2 Q Now, I believe you -- did you say whether
3 the Dakota Formation was perforated, over what interval?

4 A I did, I'll repeat.

5 Q Okay, that's fine.

6 A The Dakota is perforated between 6983 and
7 7046.

8 Q And what is the current production from that
9 particular well?

10 A C-27 currently produces less than two million
11 cubic foot of gas per month, about 1.8. It also produces
12 a very small amount of condensate, approximately 30 barrels
13 a month, a barrel a day. A very marginal completion.

14 Q All right. Have you prepared what has been
15 styled as Getty Exhibit Number Three?

16 A Yes, Exhibit --

17 Q And it was prepared by you or under your
18 direction?

19 A Yes.

20 Q And would you explain what that shows, please?
21 Or identify it and explain it.

22 A Exhibit Three is a plot of the production
23 history on C-27. The lower section has the gas plot; the
24 upper section has the oil or condensate plot.

25 It also shows some offset Gallup Zone producers,

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
8030 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S05) 471-2462
Santa Fe, New Mexico 87501

1 B No. 10 and B No. 12.

2 B No. 10 is located in Unit "P" of Section
3 32, 25 North, 5 West.

4 Jicarilla B-12 is located in Unit "H", Section
5 32, 25 North, 5 West.

6 These wells are located just to the west of
7 B-27.

8 Q In other words, commingling has been approved
9 previously for the Pictured Cliffs and Chacra Formations,
10 in what, the Jicarilla B and the Jicarilla C leases?

11 A Yes, in a separate order the Commission has
12 approved commingling previously of the Pictured Cliffs and
13 Chacra Formations. We are now asking for permission to
14 commingle the Dakota and Gallup.

15 Q In the wellbore of the same well?

16 A Specifically Well No. 27, with approval to
17 administratively -- for administrative approval to commingle
18 in other wells at a later date.

19 Q Do you have any proposal for the proration of
20 production should this commingling be permitted, the pro-
21 rating of the production from each zone?

22 A We have tried to draw some type of analogy
23 of the production between the Gallup and the Dakota and
24 it was -- we were unable to do that. As near as we could
25 determine, it was approximately a 50-50 split, but this

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

1 varies very widely between wells.

2 So we would propose that there would be a
3 50-50 split; if that is not acceptable then we would ask
4 that after we test the Gallup to determine its potential,
5 we could then propose a more definite one.

6 However, we do feel a 50-50 split would be
7 in line. We don't expect much more than two million cubic
8 foot a month from the Gallup, and that is what we are pro-
9 ducing from the Dakota. The Gallup will be basically an
10 oil well but a very low volume oil with a high gas/oil
11 ratio.

12 Q. Do you have a log on this particular well?

13 A. Yes, we have a log that's marked with the
14 current completion and the proposed completion.

15 Q. Do you only have one copy of that?

16 A. Yes, I just have one copy of that, but we
17 would --

18 Q. Be willing to introduce it --

19 A. Yes.

20 Q. -- as an exhibit?

21 A. Yes, it's not -- it's not stamped yet.

22 MR. BLODGET: It's not stamped yet. What is
23 that going to be? That will be Four.

24 We tender into evidence the log on the said
25 well as Exhibit Number Four.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2402
Santa Fe, New Mexico 87501

1 Q Have all of the offset operators been notified
2 of this application by sending them a copy of the same?

3 A Yes, they have, and they are listed in the
4 application, their names and addresses.

5 Q In your opinion will the granting of this
6 application avoid waste, allow recovery of gas and other
7 hydrocarbons which might not otherwise be recovered?

8 A Yes. We could not complete this well without
9 permission to commingle. The economics just would not
10 allow it.

11 Q And commingling would not violate the corre-
12 lative rights of offset operators?

13 A Would not.

14 Q Is that correct?

15 MR. BLODGET: We tender into evidence Exhibits
16 One through Four, and pass the witness.

17 MR. NUTTER: Applicant's Exhibits One through
18 Four will be admitted in evidence.

19

20 CROSS EXAMINATION

21 BY MR. NUTTER:

22 Q Mr. Brown, these figures on Exhibit Number One
23 are cumulative production figures for each of these wells,
24 is that correct?

25 A Yes, Mr. Nutter, and the designation right

1 before the numbers indicates the formation from which they
2 produce.

3 Q So the No. 12 Well immediately west of 27 is
4 a single completion in the Gallup and has made 40,000
5 barrels from the Gallup?

6 A Yes, at a very low rate throughout the years.

7 Q Well, that's what I was going to ask you,
8 how long it's been completed and what the average rate of
9 production has been in the last -- what its potential was
10 and what it's currently producing.

11 A As I recall, the early production was between
12 10 and 15 barrels a day. It is currently -- No. 10 is
13 currently making 2 barrels a day, slightly less than 2.

14 No. 12, which is located just north of 10 is
15 making 2 barrels of oil per day currently.

16 They are two of the better Gallup wells in
17 the area.

18 Q Do you have any information of comparable
19 pressures in these two zones?

20 A I don't have any specific information. I do
21 believe that they're quite similar, though. They are very
22 close to each other in depth and the Gallup has produced
23 in the general area extensively, as has the Dakota. Now,
24 the Dakota has not produced in this immediate area but the
25 pressure in Well No. 27 we believe is comparable. It --

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.O.B.) 471-2462
Santa Fe, New Mexico 87501

1 the 27 produces at such a low rate, this is probably due
2 to tightness rather than low pressure, and we don't believe
3 the pressure is significantly different.

4 Q Well, it appears that some of these Gallup
5 wells have had rather good productive histories. I just
6 wonder what the possibility of when you open the Gallup up
7 in this well, of getting a well that would be possibly
8 better than should be commingled with another zone. What
9 do you think?

10 A We certainly don't anticipate it.

11 Q How does the log on the Gallup in this No. 27
12 compare, for example, with the log on the No. 22, which
13 has a cumulative production of 53,000 barrels in the Gallup?

14 A I don't recall that offhand. The Gallup in
15 27 looks ratty.

16 Q It's not a well defined --

17 A It is not.

18 Q -- formation on this --

19 A It is not.

20 Q --log that you have.

21 A It's very difficult to even pick the perforated
22 interval, both perforated intervals. I would anticipate
23 that the Well No. 27 would be a poor well in the Gallup.

24 Q More like No. 20 than it would be like 22,
25 then.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 411-2462
Santa Fe, New Mexico 87501

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A. Probably even not as good as 20.
Q. Which had a cumulative production of 20,000.
A. Right. We used, in our economics, we used
20,000 barrels cumulative recovery to see if we could even
do 27, and it's marginal with 20,000 barrels.

Q. You mean to determine whether you could per-
forate --

A. Perforate it and frac it and so forth.

Q. -- it and open it up with the Gallup and
Dakota?

A. Right. You're not going to get as good a
well in 27 as we did in 12 or 22, that is, B-12 or C-22.

Q. And then your proposal in the remainder of
this case is an administrative procedure for commingling
Gallup and Dakota wells, or Gallup and Dakota formation in
other wells in this entire green area.

A. Yes, if we find potential wells we would like
to be able to do this administratively.

Q. Would it be your intent to deepen any of the
current Gallup wells to the Dakota or would you simply open
up the perforations in the existing Dakota wells?

A. At the present economics we could only open
up existing perforations behind pipe. If economics ever
dictate in later times, we have several wells we could
deepen. Economics today won't allow it.

1 Q I see, so right now we're just looking at an
2 administrative procedure for existing Dakota wells?

3 A Yes.

4 MR. NUTTER: Are there any further questions
5 of the witness? He may be excused.

6 Do you have anything further, Mr. Blodget?

7 MR. BLODGET: No.

8 MR. NUTTER: Does anyone have anything they
9 wish to offer in Case Number 6359?

10 Take the case under advisement.

11 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (695) 471-2462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the Examiners hearing of Case No. 6359 heard by me on 10/25 1978.
[Signature], Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

November 15, 1978

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

Mr. William F. Carr
Catron, Catron & Sawtell
Attorneys at Law
Post Office Box 788
Santa Fe, New Mexico

Re: CASE NO. 6359
ORDER NO. R-5354

Applicant:

Getty Oil 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 X
Artesia OCC X
Aztec OCC X

Other Chester Blodget

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. 6359
Order No. R-5854

APPLICATION OF GETTY OIL COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARriba
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 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, Getty Oil Company, is the owner and operator of the Jicarilla "C" Well No. 27, located in Unit E of Section 33, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Gallup and Dakota production within the wellbore of the above-described well.

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

(5) That from the Dakota 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.

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Case No. 6359

Order No. R-5854

(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 Aztec 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, the applicant should conduct such tests as may be necessary during workover operations on the well, and should consult with the Supervisor of the Division's Aztec District Office to determine an allocation formula.

(10) That applicant further seeks the establishment of an administrative procedure for approval of the downhole commingling of Gallup and Dakota production in additional wells on its Jicarilla "B" and Jicarilla "C" Leases in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28, and 31 through 34, Township 25 North, Range 5 West.

(11) That the establishment of a procedure wherein additional wells on the subject leases could be so commingled may result in the production of otherwise unrecoverable reserves of hydrocarbons, thereby preventing waste, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Getty Oil Company, is hereby authorized to commingle Gallup and Dakota production within the wellbore of the Jicarilla "C" Well No. 27, located in Unit E of Section 33, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall conduct such tests as may be necessary and shall consult with the Supervisor of the Aztec District Office of the Division in order to determine an allocation formula for the allocation of production to each zone in the subject well upon completion of operations thereon.

(3) That the operator of the above well or any other well commingled pursuant to the authority hereinafter contained shall immediately notify the Division's Aztec district office any time

-3-

Case No. 6359
Order No. R-5854

any such well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

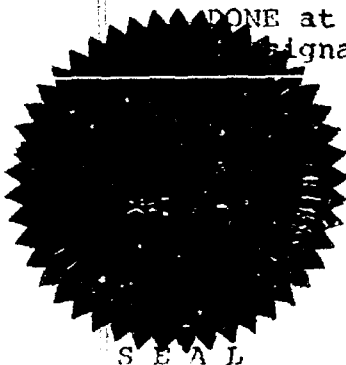
(4) That the Division Director is hereby authorized to approve commingling of Gallup and Dakota production in the wellbore of any well drilled in Sections 5 and 6, Township 24 North, Range 5 West, NMPM, and Sections 21, 22, 27, 28, and 31 through 34, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(5) That to obtain approval for the downhole commingling of Gallup and Dakota production in the wellbore of any well completed in the aforescribed area, the operator of said well shall file one copy of the request for such approval with the Division Director and one copy with the Supervisor of the Division's District Office at Aztec. Such request shall contain evidence as to the productivity or expected productivity of each of the aforesaid formations proposed to be commingled, as well as reservoir pressures encountered or expected to be encountered. In addition, data shall be submitted which will enable the Division Director to prescribe an allocation formula for allocating production to each of the formations to be commingled, or the applicant shall consult with the District Supervisor to establish such an allocation formula.

(6) The Division Director shall have authority to rescind downhole commingling authority granted for any well prior to its completion if data available upon completion of the well indicates greater than marginal production from either or both of the commingled formations or a pressure differential between the commingled formations which might cause waste.

(7) 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.



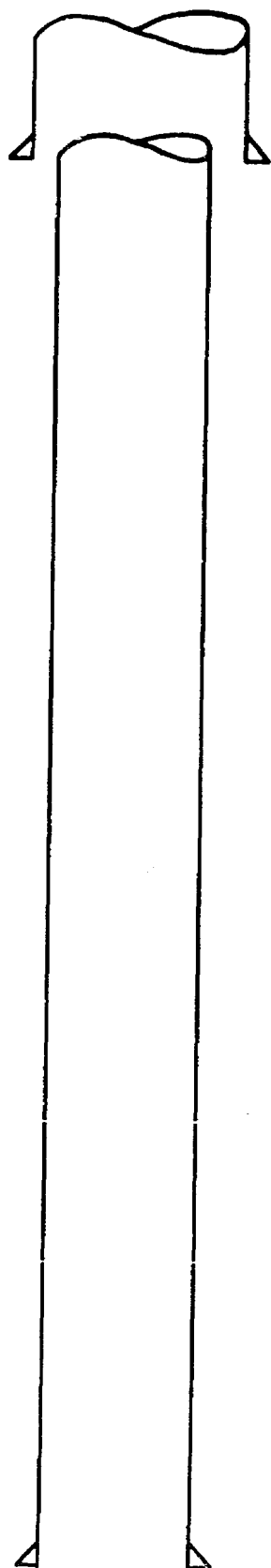
S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

GETTY OIL COMPANY
JICARILLA "C" WELL NO. 27
1735' FHL, 800' FHL, SEC. 33-25N-5W
RIO ARriba COUNTY, NEW MEXICO
ELEV. 6702 KB



365

8-5/8" 24# w/245 sx cement

3904

DV TOOL w/445 sx 40-60 Lite

5596

DV TOOL w/450 sx 50-50 POZ

6050-6060 (10)
6075-6090 (15)
6170-6205 (35)
6300-6315 (15)

PROPOSED GALLUP PERFORATIONS

← QUESTIONABLE PAY

6983-6989
6995-6999
7013-7034
7043-7046

DAKOTA ZONE PERFORATIONS

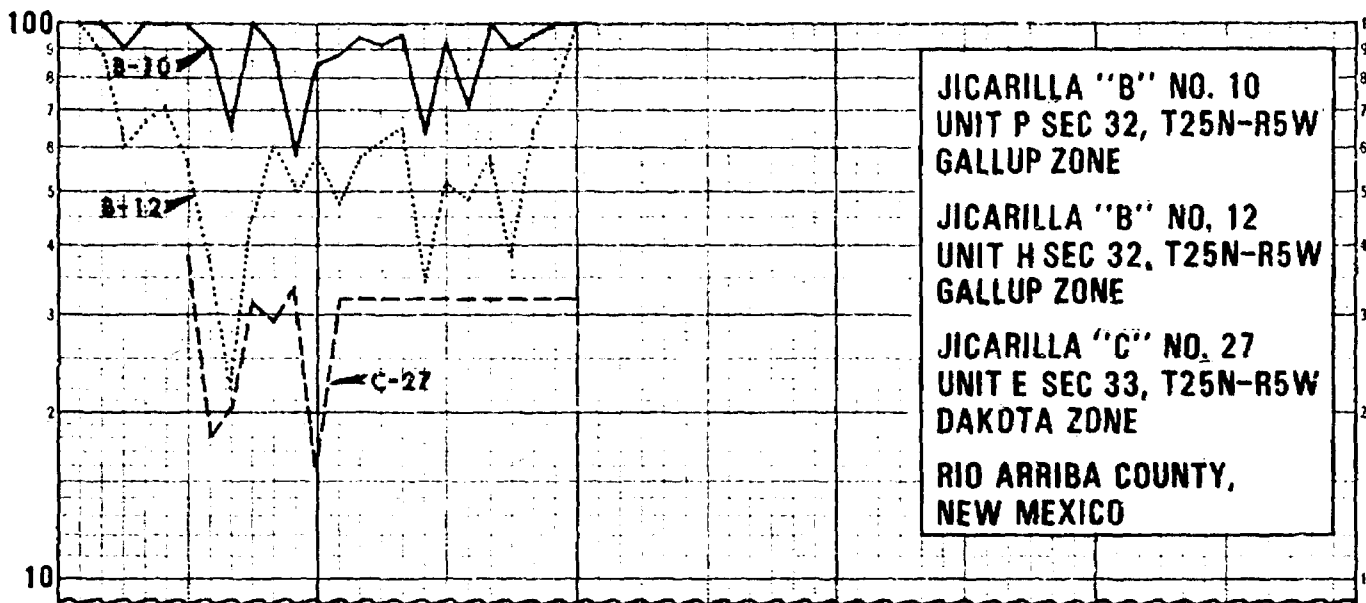
7199 PBD

7237

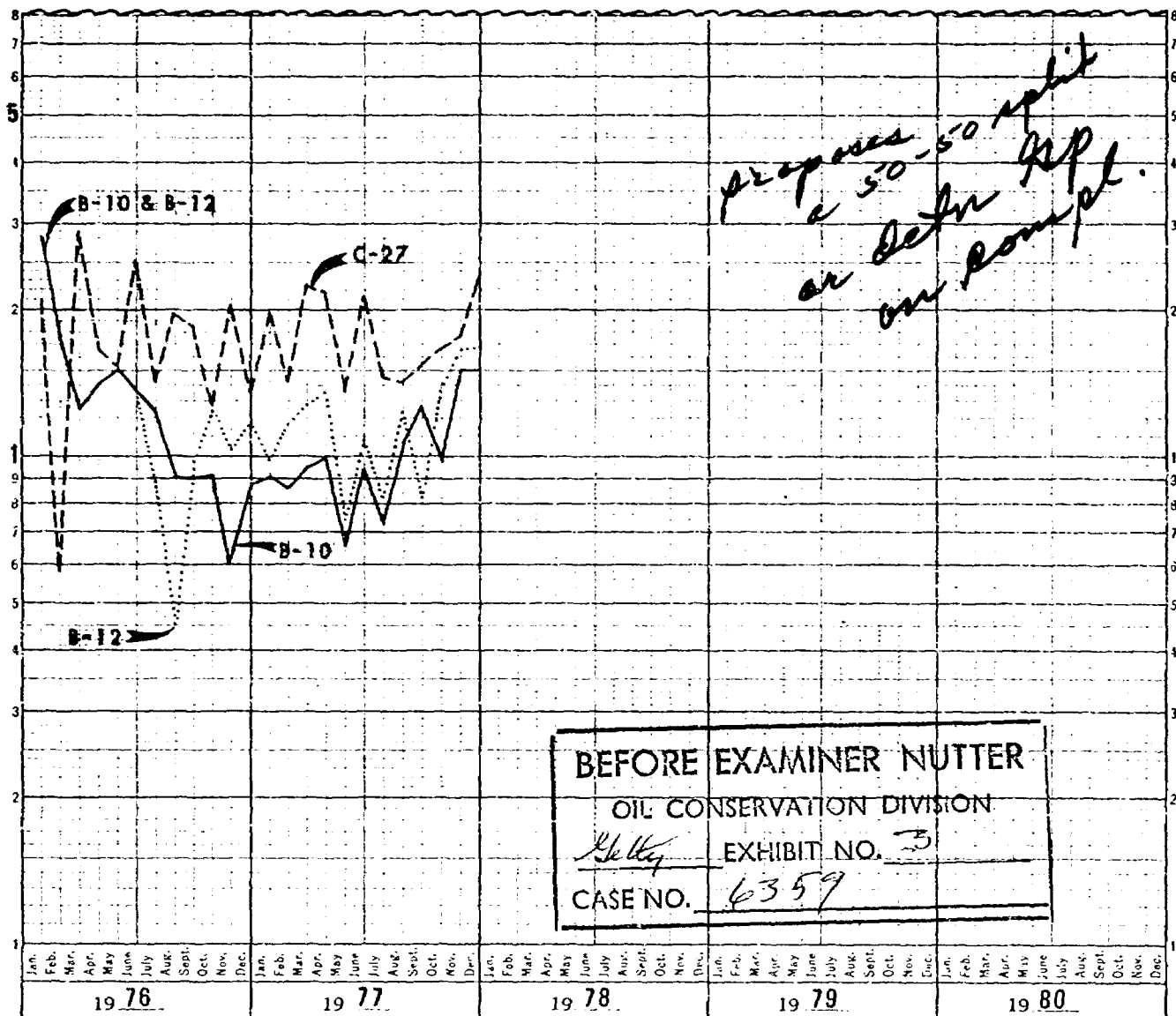
4-1/2" 11.6# w/218 sx POZ and 275 sx
Class A cement

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Kelley EXHIBIT NO. 2
CASE NO. 6359

BOPM



MONTHLY GAS - MMCF



Dockets Nos. 35-78 and 36-78 are tentatively set for hearing on November 8 and 21, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 25, 1978

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

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

CASE 6290: (Continued from September 13, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6339: (Continued from October 11, 1978, Examiner Hearing)

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 22, Township 23 South, Range 28 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 6355: Application of Amoco Production Company for two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox locations of its South Mattix Unit Well No. 32 located 1535 feet from the North line and 330 feet from the East line and its South Mattix Unit Well No. 34 located 1650 feet from the North line and 2310 feet from the West line, both in Section 22, Township 24 South, Range 37 East, Fowler-Upper Yesso Pool, Lea County, New Mexico, the S/2 NE/4 and the E/2 NW/4 of Section 22 to be dedicated, respectively, to the wells.

CASE 6356: Application of Amoco Production Company 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 formation through the perforated interval from 8391 feet to 9100 feet in its State "E" Tract 18 Well No. 21 located in Unit B of Section 2, Township 17 South, Range 36 East, Lovington-Abo Pool, Lea County, New Mexico.

CASE 6357: Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Pennsylvanian formation for its Lambirth Well No. 4 located in Unit O of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing and special well location requirements.

CASE 6358: Application of Jake L. Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 12,997 feet to 13,036 feet in his State K-33 Well No. 2 located in Unit N of Section 30, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 6359: 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 and Dakota production in the wellbore of its Jicarilla "C" Well No. 27 located in Unit E of Section 33, Township 25 North, Range 5 West. Applicant further seeks provision for administrative approval for downhole commingling of the Gallup and Dakota formations in others of its wells on its Jicarilla "B" and Jicarilla "C" leases in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28 and 31 thru 34, Township 25 North, Range 5 West, all in Rio Arriba County, New Mexico.

CASE 6368: Application of Getty Oil Company for the amendment of Order No. R-5388, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5388 to provide an administrative procedure to permit the downhole commingling of Pictured Cliffs and Chacra production in wells on its Jicarilla "B" and "C" leases in Sections 21, 22, 27, 28, and 31 thru 34, Township 25 North, Range 5 West, and Sections 5 and 6, Township 24 North, Range 5 West, all in Rio Arriba County, New Mexico.

CASE 6360: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's Lockhart A-18 Wells Nos. 3 and 4, located in Units K and M, respectively, of said Section 18.

- CASE 6361: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Buffalo-Pennsylvanian Gas Pool, Lea County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Wolfcamp and Pennsylvanian gas pools rather than the present 160-acre spacing.
- CASE 6362: Application of Continental Oil Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 294.9-acre non-standard gas proration unit comprising the S/2 of partial Section 19, Township 17 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 3300 feet from the East line of said Section 19 to test the Morrow formation.
- CASE 6363: Application of Phoenix Resources Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and West lines of Section 16, Township 19 South, Range 21 East, Eddy County, New Mexico, to be drilled to the Mississippian formation, the W/2 of said Section 16 to be dedicated to the well.
- CASE 6364: Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation underlying the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, Lea County, New Mexico, to be dedicated to a proposed oil well to be drilled at a standard location thereon. Applicant seeks the pooling of the SE/4 of said Section 23 in the event said drilling results in a gas well. 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 6365: Application of Michael P. Grace II for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 25, Township 21 South, Range 26 East, Burton Flat Field, 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 6366: Application of Phillips Petroleum Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of a pressure maintenance project, all mineral interests in the East Vacuum Grayburg-San Andres Unit encompassing 7,025 acres, more or less, underlying all or portions of the following lands in Lea County, New Mexico: Section 24, Township 17 South, Range 34 East; Sections 18 thru 29 and 31 thru 35, Township 17 South, Range 35 East; and Sections 4 and 5, Township 18 South, Range 35 East.
- The unitized interval would be the Grayburg-San Andres Formation between the depths of 4,050 feet and 5,050 feet in Exxon's NM State "K" Well No. 19, located in Unit P of Section 28, Township 17 South, Range 35 East.
- 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 6367: Application of Phillips Petroleum Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its East Vacuum Grayburg-San Andres Unit, Lea County, New Mexico, by the injection of water into the Grayburg-San Andres formation; and the establishment of an administrative procedure for approval of injection and producing wells at unorthodox locations.

CATRON, CATRON & SAWTELL

THOMAS B. CATRON, 1810-1921
FLETCHER A. CATRON, 1890-1964

THOMAS B. CATRON, III
JOHN S. CATRON
WILLIAM A. SAWTELL, JR.
FLETCHER R. CATRON

WILLIAM F. CARR
W. ANTHONY SAWTELL

ATTORNEYS AND COUNSELORS AT LAW

THE PLAZA
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788
TELEPHONE 982-1947
AREA CODE 505

October 18, 1978

OCT 19 1978

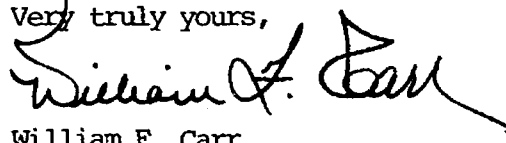
Mr. Joe D. Ramey
Division Director
Oil Conservation Division
Department of Energy and Minerals
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed are two Entries of Appearance which I am transmitting to you for filing in Oil Conservation Division cases No. 6359 and 6368.

Your attention to this matter is appreciated.

Very truly yours,



William F. Carr

WFC:tg
Enclosures

BEFORE THE
OIL CONSERVATION DIVISION ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR DOWNHOLE
CO-MINGLING, RIO ARriba COUNTY,
NEW MEXICO.

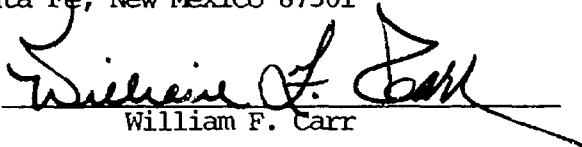
Case No. 6359

ENTRY OF APPEARANCE

Comes now Catron, Catron & Sawtell and hereby enters its appearance on behalf of Getty Oil Company in the above-entitled cause.

CATRON, CATRON & SAWTELL
Attorneys for Applicant
Post Office Box 788
Santa Fe, New Mexico 87501

By


William F. Carr



SEP 29 1978

Getty Oil Company | P.O. Box 3000, Tulsa, Oklahoma 74102 • Telephone: (918) 560-6130, 560,6000

Chester E. Blodget, Attorney

September 26, 1978

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 this matter for hearing
on October 25.

Thank you,

Yours very truly,


Chester E. Blodget

CEB:lt
Enclosures

SEP 19 1977

BEFORE THE STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6359

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 Jicarilla "B" lease in all of Sections 31 and 32, Township 25 North, Range 5 West and all of Sections 5 and 6, Township 24 North, Range 5 West covering 2,657 acres, more or less, and Jicarilla "C" lease in the south half of Sections 21 and 22, all of Sections 27 and 28 and the north half of Sections 33 and 34, Township 25 North and Range 5 West covering 2,560 acres, more or less, Rio Arriba County, New Mexico.

2. That the Jicarilla "C" Well No. 27 was completed as a Dakota Formation gas well on May 17, 1975 at a total depth of 7,238 feet, in Unit "E" of Section 33-T25N-R5W and the 4-1/2 inch casing was run to a depth of 7,237 feet and cemented to protect the Dakota, Gallup, Mesaverde, Chacra, and Pictured Cliffs formations.

3. That the Dakota formation has been perforated over the interval 6,983 feet to 7,046 feet, sand fraced and produced and found to be capable of only low rates of production, currently 50 MCFPD gas and 5 barrels hydrocarbon fluid per day; that the Gallup formation, if completed, would also be capable of only a very low rate of production.

4. That to economically recomplate and produce the Jicarilla "C" Well No. 27, the Dakota and Gallup formations will have to be commingled in the well bore.

5. That depending upon the economic feasibility that would be determined from the proposed recompletion and subsequent production monitoring of Jicarilla "C" Well No. 27, other wells might have potential for recompletion in the Dakota and Gallup formations if commingling is allowed.

6. That Commission Order No. R-5388 dated March 15, 1977, has previously provided for the commingling of production from the Pictured Cliffs and Chacra formations from wells in Jicarilla "B" and Jicarilla "C" leases.

7. That Getty Oil Company should be granted authority to commingle the Dakota and Gallup formations in the well bore of its Jicarilla "C" Well No. 27.

8. That the Order herein also provide for administrative approval for the commingling of the Gallup and Dakota formations in all wells on the Jicarilla "B" and "C" leases, as described in (1.) above.

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

Amerada Hess Corporation
P. O. Box 1486
Williston, North Dakota 58801

Gulf Energy & Mineral Company
P. O. Box 2619
Casper, Wyoming 82602

Amoco Production Company
501 Airport Road
Farmington, New Mexico 87401

Southern Union Production Company
208 East Apache
Farmington, New Mexico 87401

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

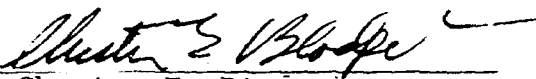
U.S.G.S.
P. O. Box 959
Farmington, New Mexico 87401

10. 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 and Gallup formations within the well bore of its Jicarilla "C" Well No. 27 in Unit "E" of Section 33-T25N-R5W NMPM, Rio Arriba County, New Mexico, and that the order further provide for administrative approval of the commingling of the Dakota and Gallup formations downhole in other Getty Oil Company wells on its Jicarilla "B" and Jicarilla "C" leases, and for such other orders, rules and regulations as may be necessary in the premises.

GETTY OIL COMPANY

By


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

Of Counsel:
Mr. William F. Carr
Catron, Catron & Sawtell
The Plaza East
P. O. Box 788
Santa Fe, New Mexico 87501

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. 6359

Order No. R-5854

APPLICATION OF GETTY OIL COMPANY

FOR DOWNHOLE COMMINGLING, RIO ARRIBA

COUNTY, NEW MEXICO.

 ORDER OF THE DIVISION 

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this _____ day of October, 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, Getty Oil Company, is
the owner and operator of the Jicarilla "C" Well No. 27,
located in Unit E of Section 33, Township 25 North,
Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Gallup and Dakota production
within the wellbore of the above-described well.

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

(5) That from the Dakota ^{~~each of~~} 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 ~~in each of the above said wells~~ 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 Aztec ^{~~some of~~} 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 ^{~~each of~~} to each of the commingled zones in, the subject wells, the applicant

(3) That 50 percent of the commingled production shall be allocated to the Gallup zone and 50 percent of the commingled production shall be allocated to the Dakota zone.

except the above wells or any other well commingled pursuant to the authority hereinafter contained
(3) That the operator of A ~~the subject well~~ shall immediately notify the Division's Aztec district office any time ~~the~~

Such well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(21, 22, 27, 28, and 31 through 34)

Division Director

(4) That the ~~Secretary Director of the Commission~~ is hereby authorized to approve commingling of Gallup and Dakota production in the wellbore of any well drilled in Sections 5 and 6, Township 24 North, Range 5 West, NMPM, and Sections , Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Division Director

Division's

(5) That to obtain approval for the downhole commingling of Gallup and Dakota production in the wellbore of any well completed in the aforescribed area, the operator of said well shall file one copy of the request for such approval with the ~~Secretary Director of the Commission~~ and one copy with the Supervisor of the ~~Commission District Office~~ at Aztec. Such request shall contain evidence as to the productivity or expected productivity of each of the aforesaid formations proposed to be commingled, as well as reservoir pressures encountered or expected to be encountered. In addition, data shall be submitted which will enable the Division Secretary Director to prescribe an allocation formula for allocating production to each of the formations to be commingled, *as the applicant shall consult with the District Supervisor to establish such an allocation formula.*

(6) The Division Director ~~Secretary Director of the Commission~~ shall have authority to rescind downhole commingling authority granted for any well prior to its completion if data available upon completion of the well indicates greater than marginal production from either or both of the commingled formations or a pressure differential between the commingled formations which might cause waste.

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

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

STATE OF NEW MEXICO
~~OIL CONSERVATION COMMISSION~~

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

dr/