

CASE NO.

6368

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 the amendment of Order No. R-5388,) 6368
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: William F. Carr, Esq.
CATRON, CATRON & SAWTELL
50 Old Santa Fe Trail
Santa Fe, New Mexico 87501

and

Chester A. Blodget, Esq.
Getty Oil Company
Tulsa, Oklahoma

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I N D E X

GERALD E. BROWN

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1 MR. NUTTER: Call Case Number 6368.

2 MS. TESCHENDORF: Case 6368. Application of
3 Getty Oil Company for the amendment of Order No. R-5388,
4 Rio Arriba County, New Mexico.

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

9 MR. BLODGET: My name is Chester Blodget and
10 I'll try to present it through my witness.

11 MR. NUTTER: The record -- you're going to
12 have the same witness, Mr. Blodget?

13 MR. BLODGET: Same witness, yes.

14 MR. NUTTER: Mr. Brown is still under oath.

15
16 GERALD E. BROWN

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

19
20 DIRECT EXAMINATION

21 BY MR. BLODGET:

22 Q Have you prepared an exhibit that shows the
23 area described in the first paragraph of the application?

24 A Yes, this is Exhibit One, that shows the
25 completions on the contiguous Jicarilla "B" and Jicarilla

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1 "C" Leases that are 100 percent owned by Getty Oil Company.
2 It further shows all completions on this acreage. Each
3 completion is color denoted by whether it is Chacra, Pic-
4 tured Cliffs, Gallup, or Dakota production.

5 Cumulative productions are also indicated
6 on all wells.

7 Also shown are the three wells that we speci-
8 fically have intent to open up the Pictured Cliffs Formation
9 and commingle with the existing Chacra Formation that is
10 presently producing. These wells are Well No. 5, 13, and
11 19 in the "B" lease, and they're indicated by blue arrows
12 and red squares around the well site.

13 Q All right. Now, has commingling been pre-
14 viously authorized, commingling the South Blanco-Pictured
15 Cliffs and the Otero-Chacra production within the wellbores
16 of Jicarilla "C" Wells Nos. 9 and 17, located in Units "K"
17 and "B" of Section 28; Nos. 11 and 19 in Units "L" and "I"
18 of Section 27; and Well Nos. 12 and 13, Units "B" and "C"
19 of Section 33; Well NO. 10 in Unit "M", Section 22; and
20 that's it?

21 A Yes. This was allowed by Order No. R-5388,
22 which we now seek an amendment to.

23 Q I was just going to ask you what's the reason
24 for this request for an amendment to Order No. R-5388?

25 A R-5388 was primarily an order allowing for

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1 commingling of the existing Gallup and Pictured Cliffs
2 wells on all the acreage except Section 31 and 32 of Town-
3 ship 25 North, 5 West.

4 We now find that we have several wells located
5 on these contiguous leases which have pay behind the pipe
6 which we wish to open up and commingle.

7 Q Specifically what wells are those?

8 A Specifically -- specifically we wish to open
9 up the Pictured Cliffs and Chacra in Well No. 5 in Unit
10 "L", Section 32; Well No. 13 -- B-13 in Unit "B", Section
11 32; and Well No. B-19 in Unit "L", Section 31.

12 All of these wells are currently Gallup shut-
13 in wells. Our intention is to open up both the Pictured
14 Cliffs and Gallup Zones behind pipe, sand frac, and commingle
15 the production.

16 Q Do you have any exhibits that pertain to these
17 particular wells mentioned?

18 A Yes. Exhibits Two, Three and Four are on
19 Wells 5, 13, and 19, respectively.

20 Q All right. Would you explain what those
21 exhibits show?

22 MR. NUTTER: Mr. Blodget, I think -- I just
23 noticed we don't -- in the notice, the legal notice of this
24 case, we don't specifically cover these wells. We simply
25 covered the amendment of the order to authorize the admini-

1 strative procedures.

2 I think, assuming that we would approve the
3 administrative procedure, they'll have to be filed for
4 administrative procedure and there's no point in going
5 into the individual wells, at this time.

6 A. All right.

7 MR. NUTTER: That was omitted from the ap-
8 plication.

9 Q. Do you have any other data or exhibits?

10 A. I do. I think they'd be covered under the
11 same category that Mr. Nutter just explained, but it would
12 not be necessary to present them for this administrative
13 procedure.

14 Q. And Getty in this application is requesting
15 an administrative -- that an administrative procedure should
16 be established for approval of the commingling downhole of
17 Pictured Cliffs and Chacra production in all wells located
18 in Getty's Jicarilla "B" lease, in all of Section 31 and 32,
19 Township 25 North, Range 5 West, and all of Section 5 and 6,
20 Township 24 North, Range 5 West, covering about 2657 acres,
21 more or less, and the Jicarilla "C" lease in the south half
22 of Section 21 and 22, all of Section 27 and 28, and the
23 north half of Section 33, 34, Township 25 North, Range 5
24 West, covering about 2560 acres, more or less, all located
25 in Rio Arriba County, New Mexico, is that correct?

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1 A Yes.

2 Q Have all of the offset operators been notified
3 of this application?

4 A They have and they are indicated by name and
5 address in the application.

6 Q Do you have a log, a typical log, of these
7 wells?

8 A I do. It may be covered under the same thing
9 as the other exhibits.

10 MR. BLODGET: Would you like to have a log?

11 MR. NUTTER: Yeah, we'd like to have a log
12 of the wells, if you've got them.

13 A All right, uh-huh.

14 MR. NUTTER: A typical Pictured Cliffs - Chacra
15 log.

16 A Right. We can give you one on the three that
17 we're anticipating recompletion immediately.

18 Q Now, what wells are those? Do you have that
19 information readily handy?

20 A Yes. The Jicarilla "B" Well No. 5; Jicarilla
21 "B" Well No. 13; and Jicarilla "B" Well No. 19.

22 Now we're going to have to change the exhibit
23 numbers.

24 Q That would be Two, Three, and Four?

25 A That would be Two, Three, and Four, right.

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1 On these logs is shown the current completion
2 in the Gallup and the proposed completion in the Pictured
3 Cliffs and Chacra.

4 Q In your opinion would the granting of this
5 application help to avoid waste and allow the recovery of
6 additional gas and other hydrocarbons which would not other-
7 wise be recovered, and at the same time protect correlative
8 rights?

9 A Yes.

10 MR. BLODGET: Pass the witness.
11

12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q Mr. Brown, generally speaking in the area
15 covered by your application, all the Jicarilla "B" and
16 "C" leases, is the Chacra Formation of marginal character?

17 A Yes, it is. As a matter of fact, the Pictured
18 Cliffs and Chacra both are so marginal that in the area
19 of the three wells that we specifically have in mind for
20 completion, they were considered nonproductive in our re-
21 cords. We are now attempting to see if they might be pro-
22 ductive.

23 Q You mean in the zone that's open currently?
24

25 A No, in the proposed zone.

Q Oh, I see.

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1 A Actually the Chacra is not completed in
2 Sections 31 and 32, nor is the Pictured Cliffs.

3 Q Well, on your Exhibit Number One in this case
4 I only see a few Chacra wells and they're all up here on
5 the other lease, the --

6 A The "C" lease.

7 Q The "C" lease.

8 A That's true, and that's because the past
9 studies that have been made consider the Chacra and Pictured
10 Cliffs in the area that we're not looking at to be so mar-
11 ginal that completion was not even considered attractive.

12 Q Well, now the three wells that you mentioned
13 are all currently Gallup wells, aren't they?

14 A Shut in Gallup, abandoned Gallup wells.

15 Q And will you -- will you shut off the Gallup
16 and then complete them --

17 A Yes.

18 Q -- as Chacra and Pictured Cliffs wells?

19 A Yes.

20 Q I see.

21 A We will set a bridge plug and perforate and
22 frac the other two zones.

23 Q And then you'd propose to allocate on the
24 basis of the test which you'll make when you're completing
25 the well.

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1 A Well, more -- in this case we would plan to
2 use the allocation that was set up in the original order,
3 which was 60 percent Pictured Cliffs and 40 percent Chacra.

4 Q And that was a general allocation formula
5 that was applicable to any wells that were completed under
6 that administrative procedure?

7 A Yes.

8 Q And how was it worked out on a --

9 A It was worked out looking at a history of
10 the Chacra and the Pictured Cliffs in the general area.

11 Q Have any wells been commingled under authority
12 of that order?

13 A Not yet. We do -- we still have plans, very
14 definite plans to do so.

15 Q So you don't know whether the formula has
16 been successful or not.

17 A That's right.

18 MR. NUTTER: Are there any further questions
19 of Mr. Brown? Mr. Kendrick?

20 MR. KENDRICK: I think there's one question
21 where the testimony may be a little confusing.

22 On these wells that you intend to recomplete
23 would be the zones behind the pipe, being the Pictured Cliffs
24 and the Chacra, the yellow zone would be plugged out, is
25 that correct?

1 A True.

2 MR. KENDRICK: I think there was one place
3 where you testified that the zones to be completed would
4 include the Gallup, but that zone would be abandoned.

5 A If I did, I made a mistake. The Gallup will
6 definitely be abandoned in these three wells.

7 MR. KENDRICK: That's all I have.

8 MR. NUTTER: Are there any other questions
9 of Mr. Brown? He may be excused.

10 Do you have anything further, Mr. Blodget?

11 MR. BLODGET: No, we have nothing further.

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

14 We'll take the case under advisement.

15 (Exhibits One through Four admitted in
16 evidence.)

17 (Hearing concluded.)
18
19
20
21
22
23
24
25

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

SALLY WALTON BOYD
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I do hereby certify that the foregoing is
a complete and true transcript of the proceedings in
the Examiner hearing of Case No. 6368
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

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Mr. William F. Carr
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Attorneys at Law
Post Office Box 788
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Re: CASE NO. 6368
ORDER NO. R-5388-A

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
Astec 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. 6368
Order No. R-5388-A

APPLICATION OF GETTY OIL COMPANY
FOR THE AMENDMENT OF ORDER NO. R-5388,
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, 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 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, NMPM, Rio Arriba County, New Mexico.
- (3) That the establishment of a procedure wherein additional wells on the subject leases may be completed in such a manner as to permit the commingling of Pictured Cliffs and Chacra production in the wellbores thereof may result in the production of otherwise unrecoverable reserves of hydrocarbons, thereby preventing waste, will not impair correlative rights, and should be approved.

-2-

Case No. 6368

Order No. R-5388-A

IT IS THEREFORE ORDERED:

(1) That Orders Nos. (3) through (6), inclusive, of Order No. R-5388 are hereby amended to read in their entirety as follows:

"(3) That the operator of any of the above wells or any other well commingled pursuant to the authority herein contained shall immediately notify the Division's Aztec district office any time any of the wells have 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 Pictured Cliffs and Chacra 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 Pictured Cliffs and Chacra 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."

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

-3-
Case No. 6368
Order No. R-5388-A

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fa/

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. Stamets, 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 15 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.

Application of Getty Oil Company
for the amendment of Order No
R-5388, Pecos 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 down hole commingling of
Pictured Cliffs and Chacra production in
wells on its Jicarilla "B" Lease 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 Pecos County, New
Mexico.

Form C-122-A
Revised 10-1-78

SEP 29 1973



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 TO AMEND AND
ADD TO ORDER NO. R-5388

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,


C. E. Blodget

CEB:lt
Enclosures

OCT 19 1978

BEFORE THE
OIL CONSERVATION DIVISION ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AMENDMENT
OF ORDER NO. R-5388, RIO ARRIBA
COUNTY, NEW MEXICO.

Case No. 6368

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. Catron

SEP 29 1973

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. 6368

APPLICATION TO AMEND AND
ADD TO ORDER NO. R-5388

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, Range 5 West covering 2,560 acres, more or less, Rio Arriba County, New Mexico.
2. That Order No. R-5388 dated March 15, 1977, authorized the commingling of South Blanco Pictured Cliffs and Otero-Chacra production within the well bores of the Jicarilla "C" Wells Nos. 9 and 17, located in Units K and D, Section 28; Nos. 11 and 19 in Units L and I, Section 27; Nos. 12 and 13 in Units C and B, Section 33; No. 10 in Unit M, Section 22; and No. 15 in Unit G of Section 34, and that the Secretary-Director of the Commission is authorized to approve commingling of Pictured Cliffs and Chacra production in the well bore of any Jicarilla "B" lease well drilled in Sections 5 and 6, Township 24 North, Range 5 West, NMPM, and any Jicarilla "C" lease well in Sections 21 and 34, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.
3. That there are other areas listed in (1.) above that are not covered in (2.) above wherein wells presently completed in the deeper Gallup and/or Dakota formations are presently or will in time become uneconomic or incapable of further production and will become candidates for recompletion in the Pictured Cliffs and Chacra zones.
4. That the Pictured Cliffs zone is capable of low marginal production only, even in newly completed wells.
5. That the Chacra zone is capable of low marginal production only, even in newly completed wells.
6. That due to the low pressures and producing volumes of the separate reservoirs, produced fluids, even though low in volume, collect in the tubing and tubing-casing annular space and inhibit the production of natural gas from both formations.
7. That the combined volume of Pictured Cliffs gas and Chacra gas when flowing together through the tubing only, could more effectively remove the well fluids from the well bore and thereby increase gas flow rate and ultimate recovery from both formations.

8. That Getty Oil Company desires to recomplete several of its abandoned Jicarilla "B" and Jicarilla "C" lease wells in the Pictured Cliffs and Chacra zones.

9. That Getty Oil Company especially seeks authority to commingle downhole the Pictured Cliffs and Chacra production in the following described wells to-wit: Well No. 5 in Unit L, Section 32, Well No. 13 in Unit B, Section 32, Well No. 19 in Unit N, Section 31, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico. These wells are presently abandoned Gallup oil wells.

10. That an administrative procedure should be established for approval of the commingling downhole of Pictured Cliffs and Chacra production in all wells located on 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, Range 5 West covering 2,560 acres, more or less, all located in Rio Arriba County, New Mexico.

11. 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 Co.
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

12. 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 granting applicant authority to commingle downhole the Pictured Cliffs and Chacra production in the following described wells to-wit: Well No. 5 in Unit L, Section 32. Well No. 13 in Unit B, Section 32, Well No. 19 in Unit N, Section 31, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico. These wells are presently abandoned Gallup oil wells.

FURTHER, Applicant prays that the Commission enter an Order establishing an administrative procedure for the approval of the commingling downhole of Pictured Cliffs and Chacra production in all wells located on 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, Range 5 West covering 2,560 acres, more or less, all located in Rio Arriba County, New Mexico.

GETTY OIL COMPANY

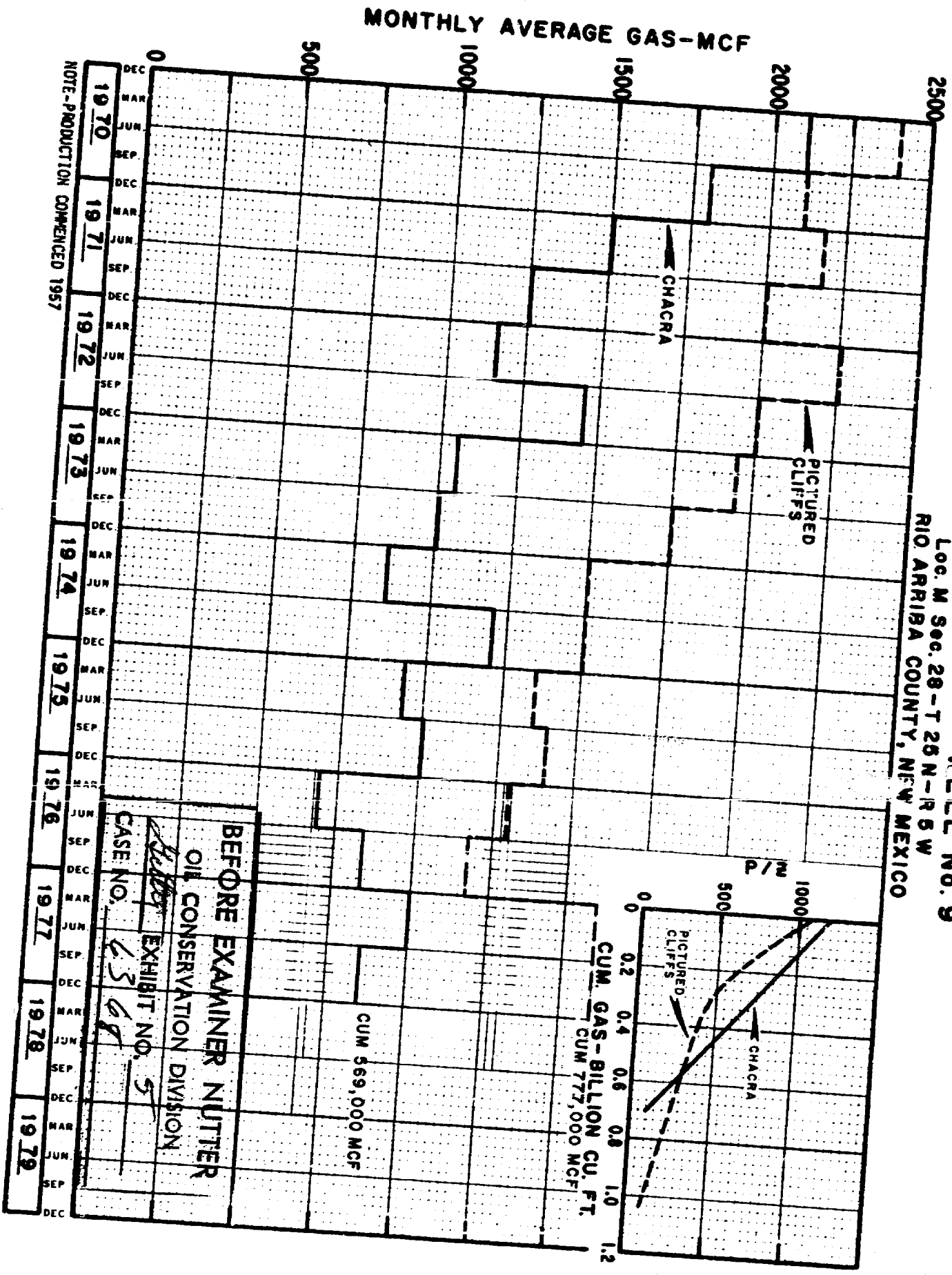
By *Chester E. Blodget*
Chester E. Blodget
Attorney
P. O. Box 3000
Tulsa, Oklahoma 74102

Of Counsel:

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

SKELLY OIL COMPANY
DENVER DISTRICT

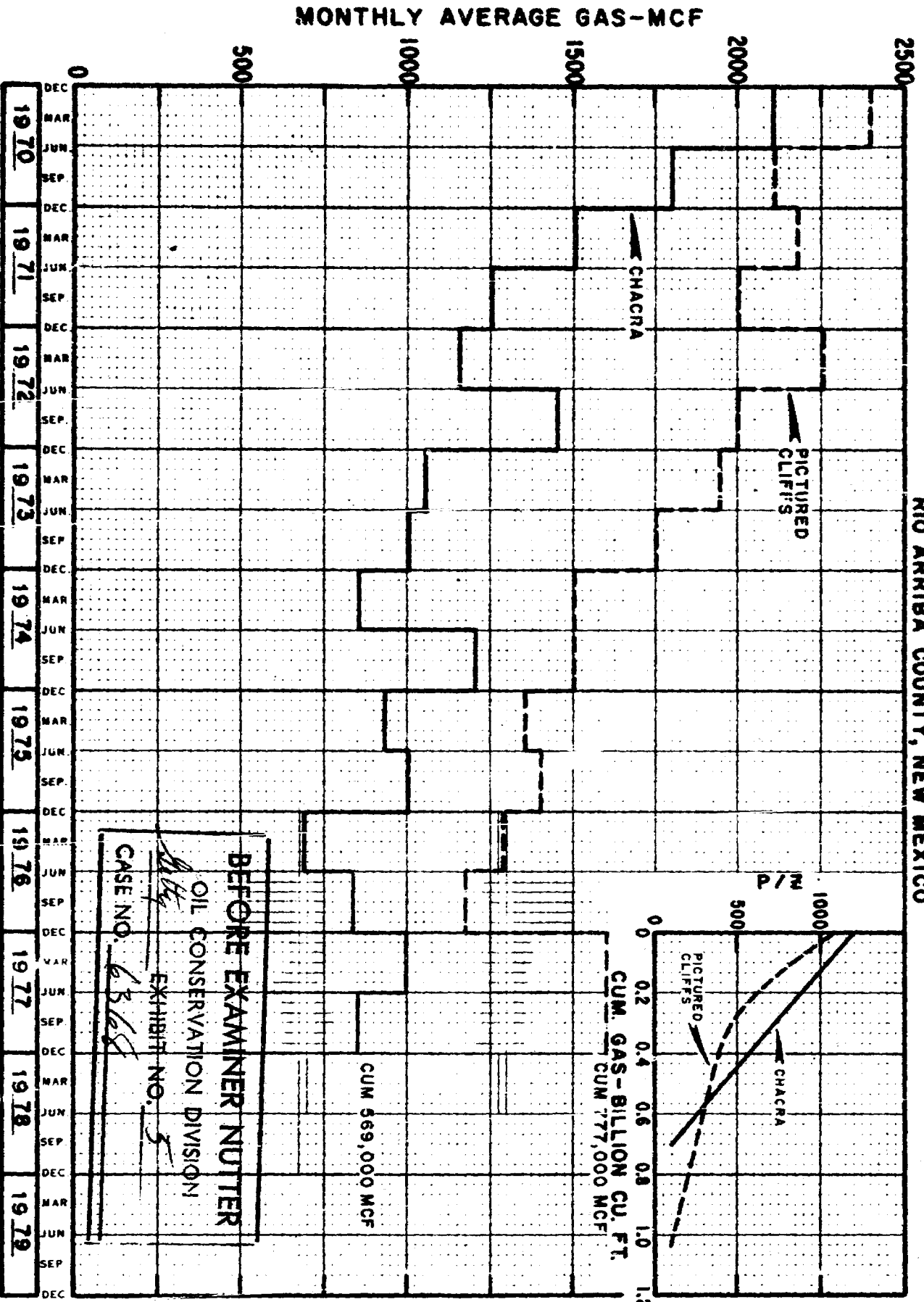
JICARILLA "C" WELL No. 9
Loc. M Sec. 28-T 26 N-R 5 W
RIO ARriba COUNTY, NEW MEXICO



These exhibits
were not applicable
to Case # 6368
and were withdrawn

SKELLY OIL COMPANY
DENVER DISTRICT

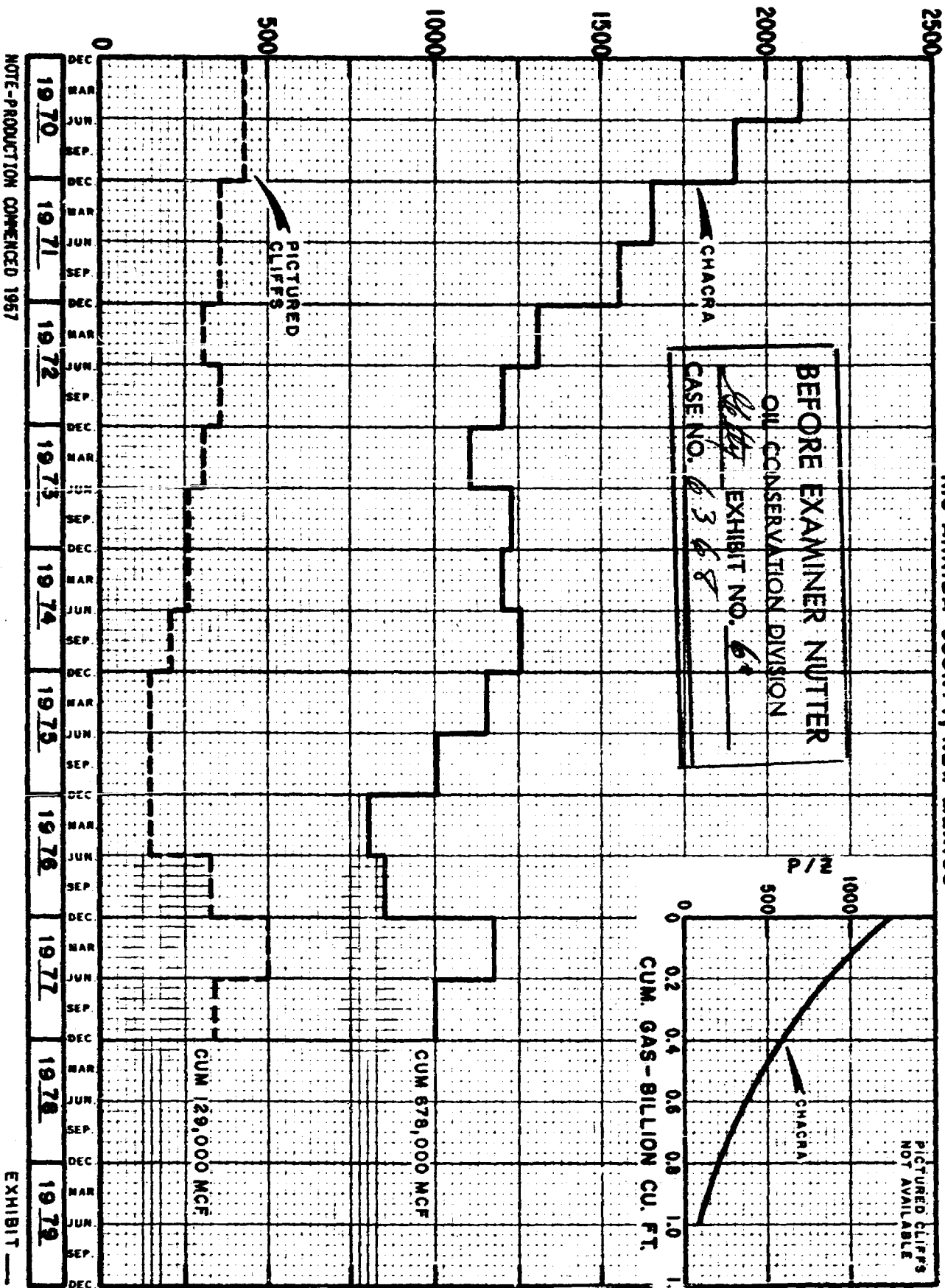
JICARILLA "C" WELL NO. 9
Loc. M Sec. 28-T 25 N-R 5 W
RIO ARriba COUNTY, NEW MEXICO



SKELLY OIL COMPANY
DENVER DISTRICT

JICARILLA "C" WELL No. 11
Loc. L 566.27-T 25 N-R 5 W
RIO ARriba COUNTY, NEW MEXICO

MONTHLY AVERAGE GAS-MCF



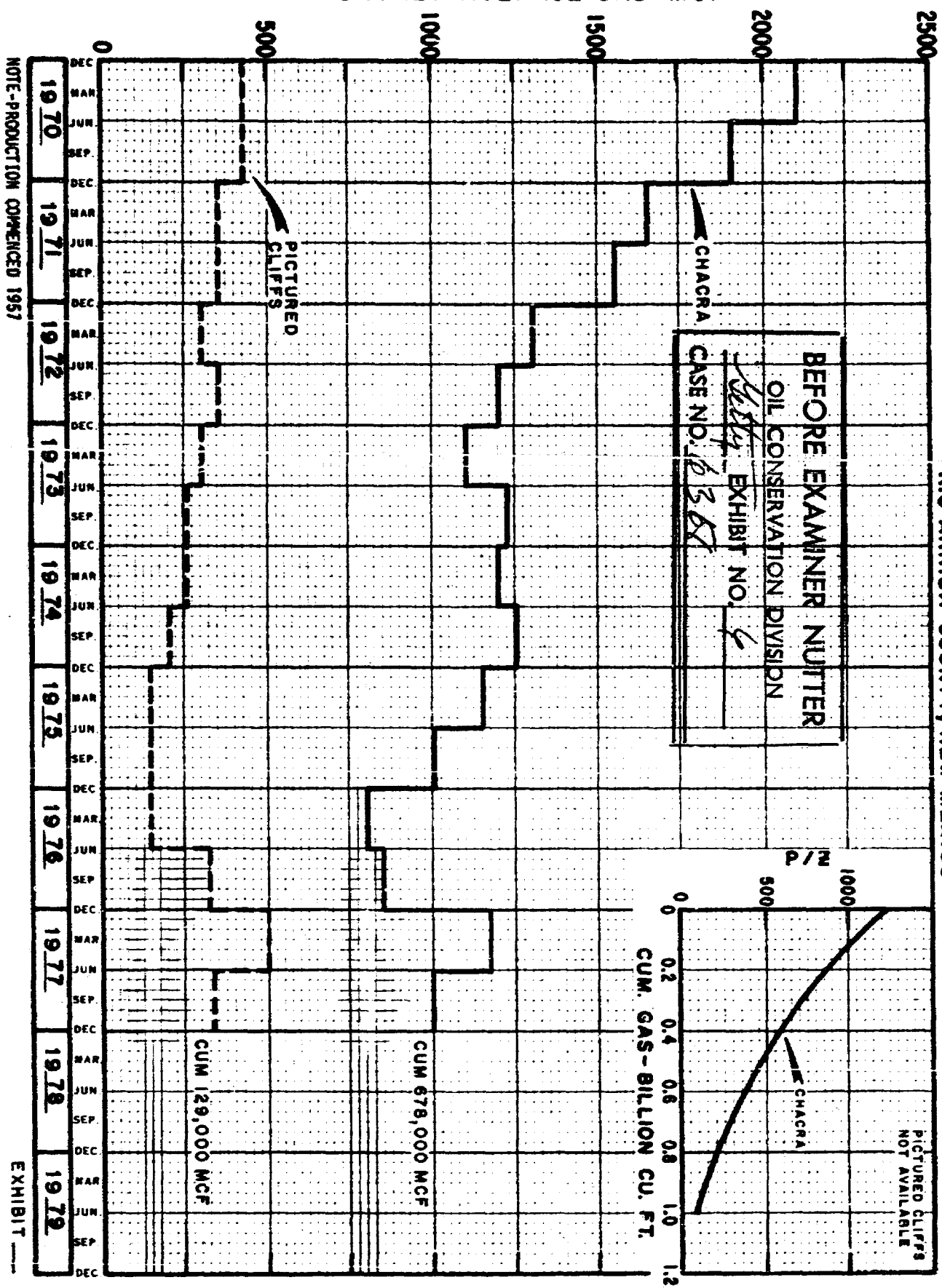
NOTE-PRODUCTION COMMENCED 1967

EXHIBIT —

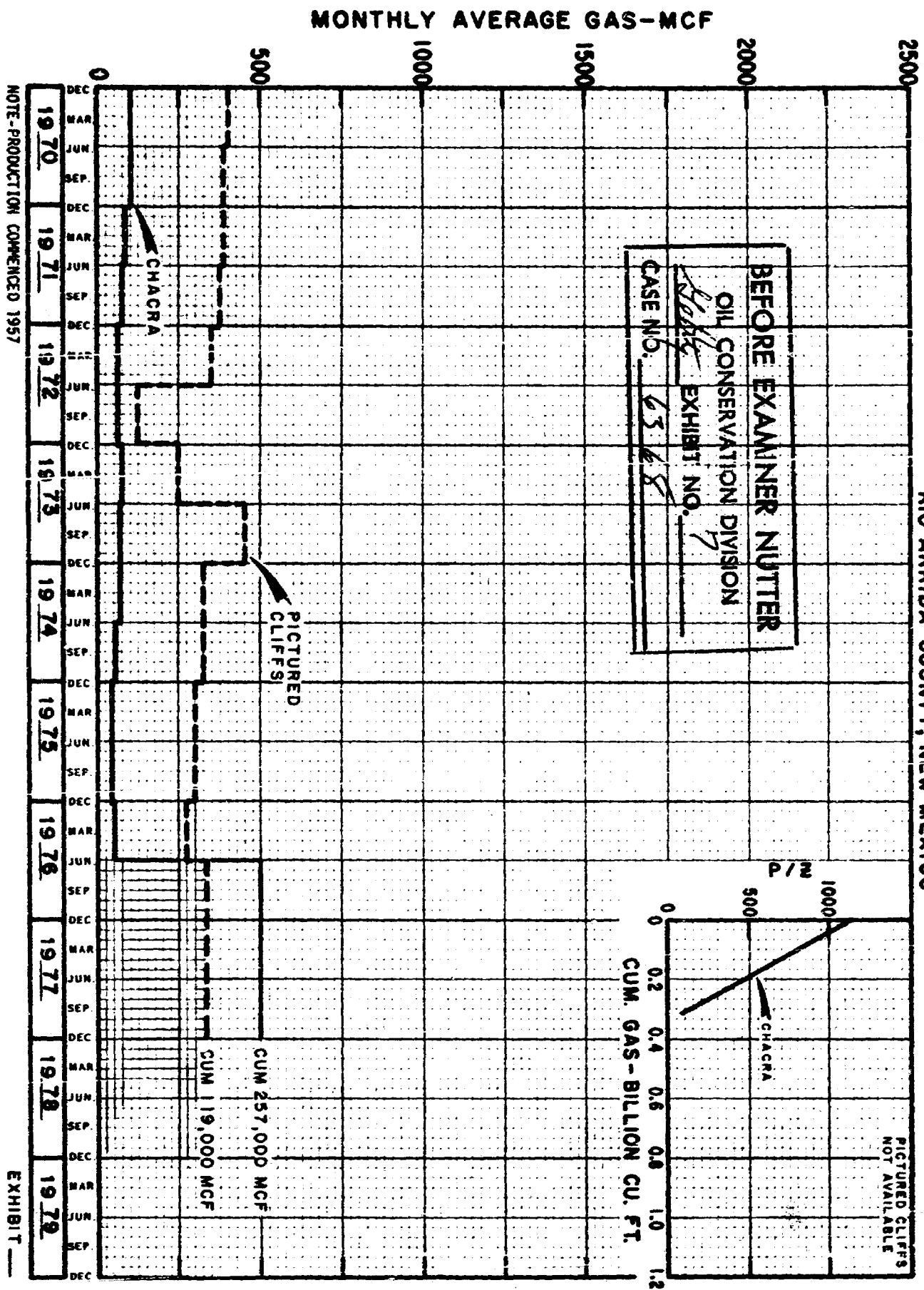
SKELLY OIL COMPANY
DENVER DISTRICT

JICARILLA "C" WELL NO. 11
Loc. L Sec. 27-T 25N-R 5 W
RIO ARriba COUNTY, NEW MEXICO

MONTHLY AVERAGE GAS-MCF



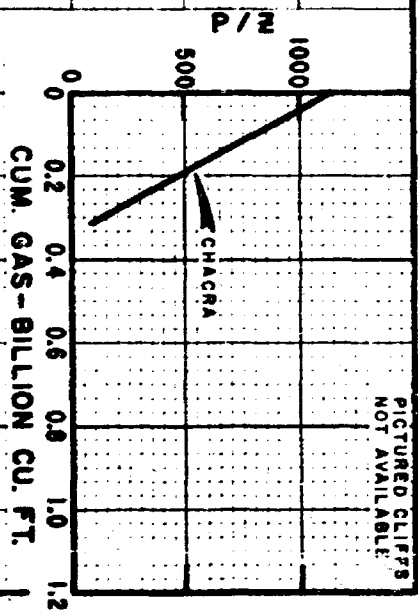
JICARILLA "C" WELL NO.13
Loc. B Sec. 33-T 25 N-R 5 W
RIO ARriba COUNTY, NEW MEXICO



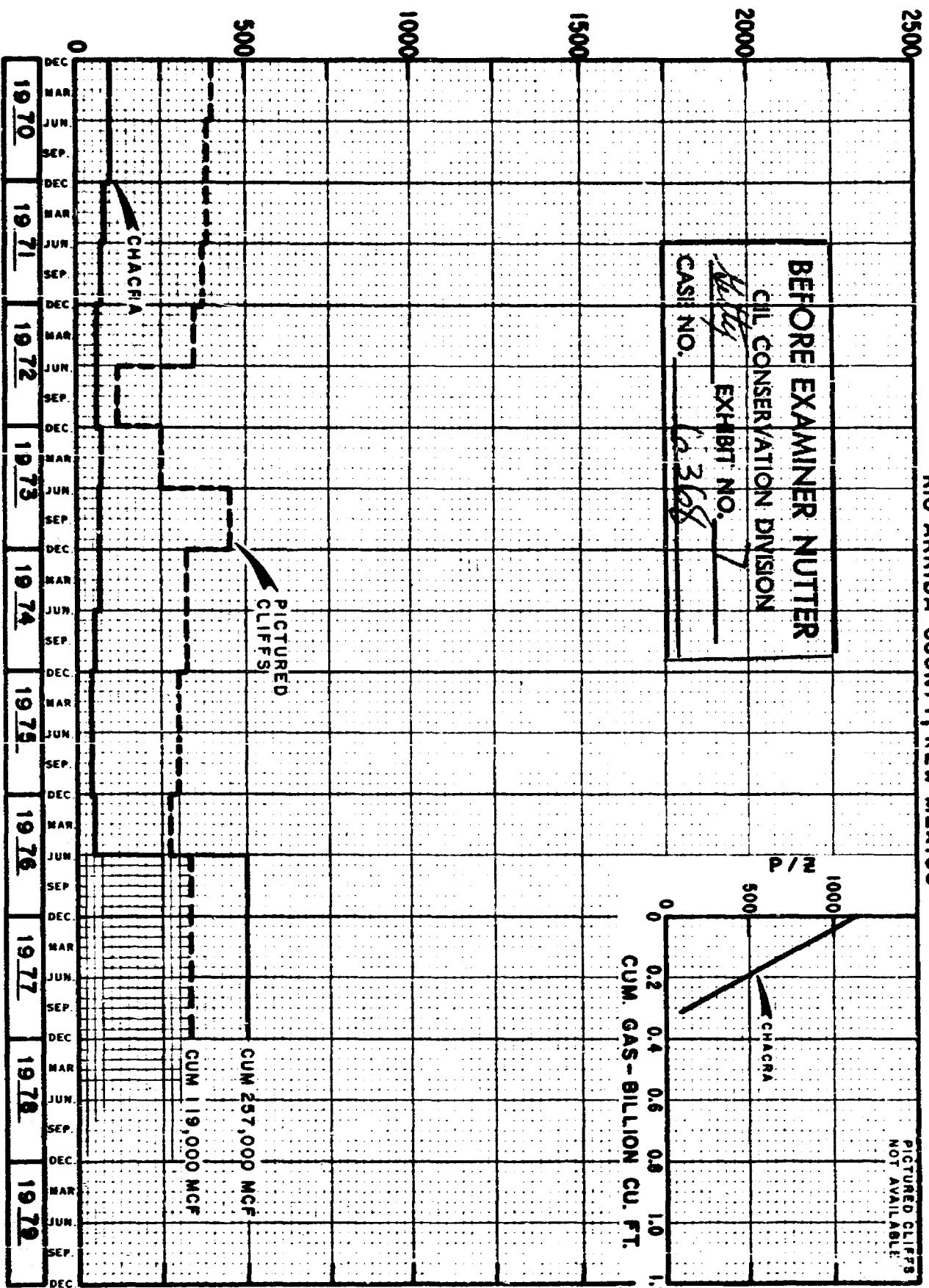
SKELLY OIL COMPANY
DENVER DISTRICT

JICARILLA "C" WELL No. 13
Loc. B Sec. 33-T 25 N-R 5 W
RIO ARRIBA COUNTY, NEW MEXICO

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EXHIBIT NO. 7
CASI NO. 12,368



MONTHLY AVERAGE GAS-MCF

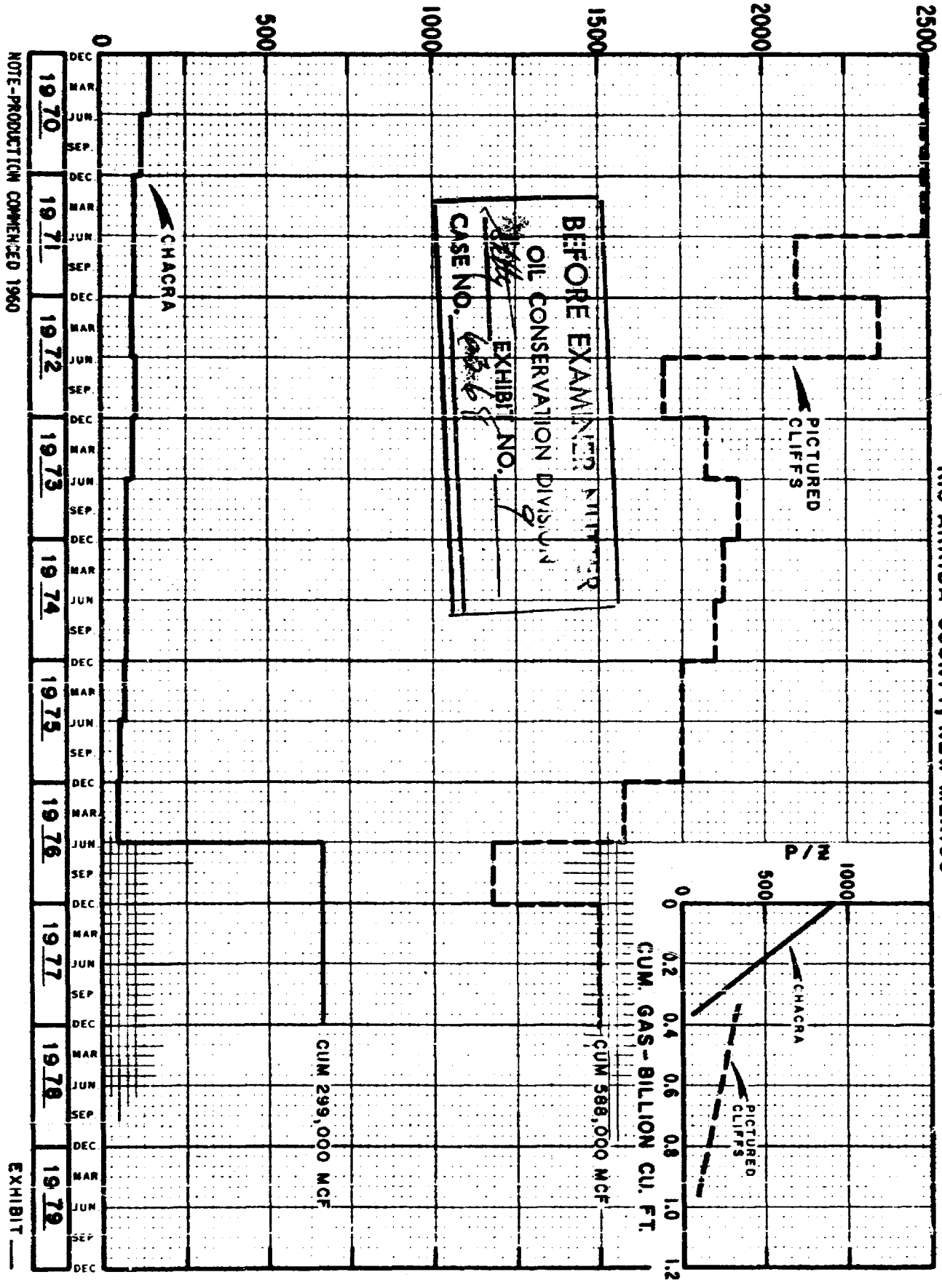


NOTE-PRODUCTION COMMENCED 1957

EXHIBIT

SKELLY OIL COMPANY
DENVER DISTRICT
JICARILLA "C" WELL No. 17
Loc. D Sec. 28-T 25N-R 5W
RIO ARriba COUNTY, NEW MEXICO

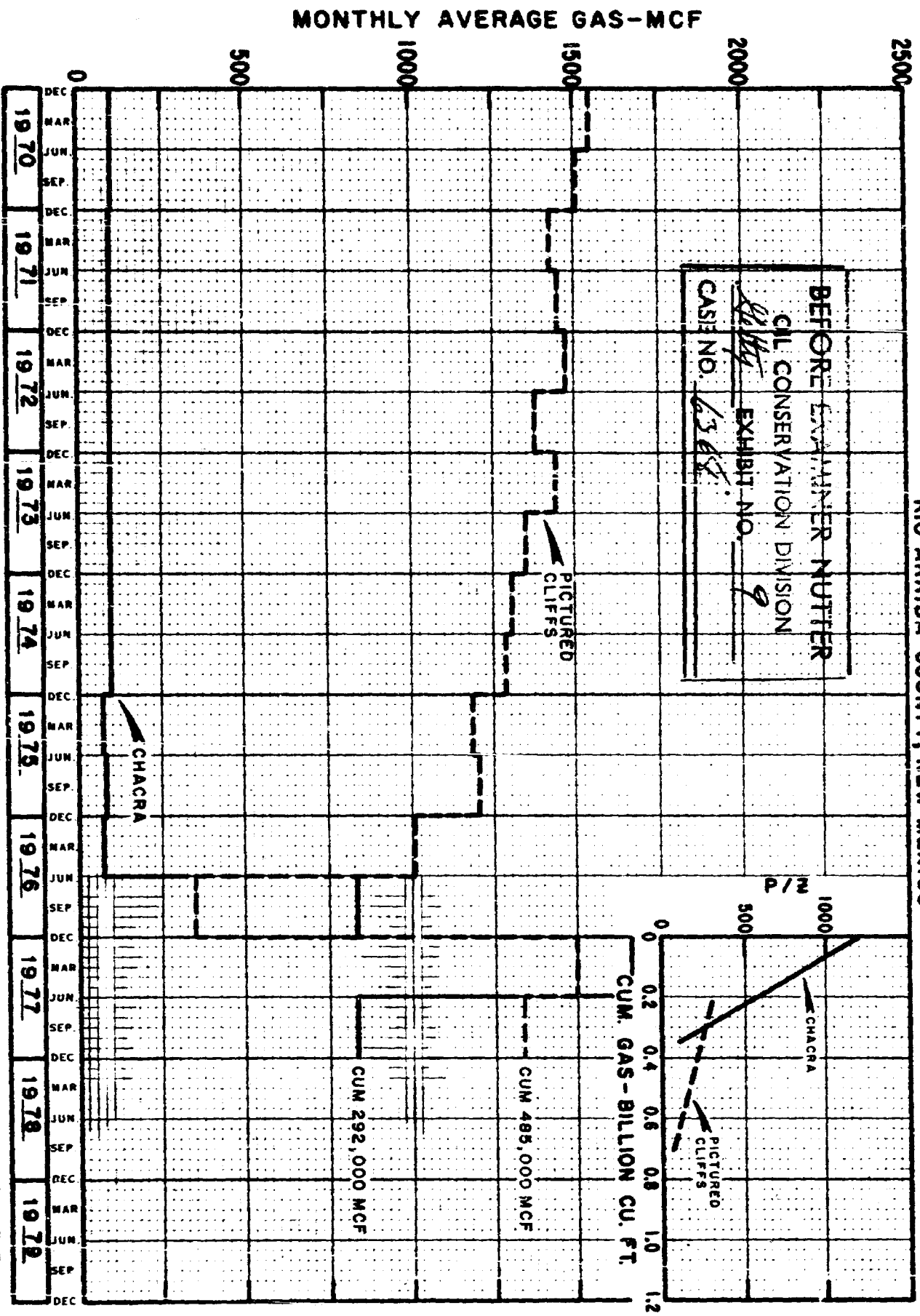
MONTHLY AVERAGE GAS-MCF



SKELLY OIL COMPANY
DENVER DISTRICT

JICARILLA "C" WELL No. 15
Loc. G Sec. 34-T25N-R5W
RIO ARriba COUNTY, NEW MEXICO

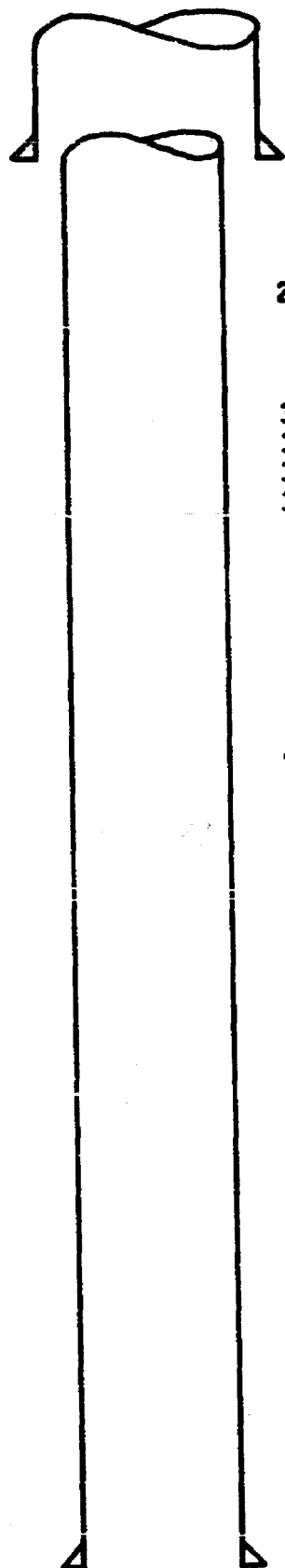
BEFORE EXAMINER NOTED
OIL CONSERVATION DIVISION
CASE NO. 6368
EXHIBIT NO. 9



NOTE-PRODUCTION COMMENCED 1957

EXHIBIT

Getty Oil Company
Jicarilla "B" Well No. 5
1650' FSL, 660' FWL, Sec. 32-25N-5W
Rio Arriba County, New Mexico
Elev. 6700' KB



326 10-3/4" 32.75#

2425 TOP OF CEMENT

2655-65 (10) PROPOSED PICTURED CLIFFS PERFORATIONS

3460 (1)
3525-30 (5) PROPOSED CHACRA
3545-50 (5) PERFORATIONS
3561-65 (4)

3674 DV TOOL w/400 sx cement

4165-75 POSSIBLE CLIFF HOUSE INTERVAL

4580-90 POSSIBLE MENELEE INTERVAL

4845-55 POSSIBLE POINT LOOKOUT INTERVAL

5600 TOP OF CEMENT

5900 PROPOSED CEMENT RETAINER

GALLUP TO BE ABANDONED

5948

6064

6277

6314

GALLUP ZONE PERFS

PBTD

5-1/2 15-1/2# w/200 sx cement

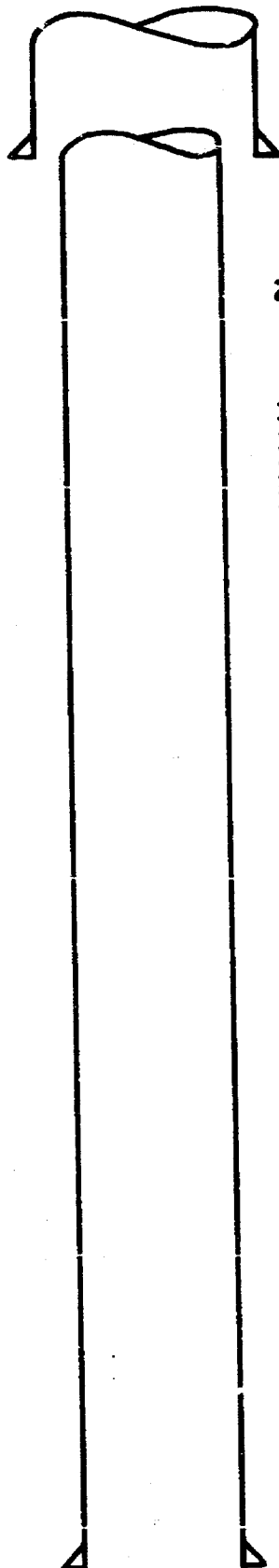
BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Getty EXHIBIT NO. 2

CASE NO. 6368

Getty Oil Company
 Jicarilla "8" Well No. 5
 1650' FSL, 660' FWL, Sec. 32-25N-5W
 Rio Arriba County, New Mexico
 Elev. 6700' KB



326 10-3/4" 32.75#

2425 TOP OF CEMENT

2655-65 (10) PROPOSED PICTURED CLIFFS PERFORATIONS

3460 (1)
 3525-30 (5) PROPOSED CHACRA
 3545-50 (5) PERFORATIONS
 3561-65 (4)

3674 DV TOOL w/400 sx cement

4165-75 POSSIBLE CLIFF HOUSE INTERVAL

4580-90 POSSIBLE MENELEE INTERVAL

4845-55 POSSIBLE POINT LOOKOUT INTERVAL

5600 TOP OF CEMENT

5900 PROPOSED CEMENT RETAINER

GALLUP TO BE ABANDONED

5948

6064

6277

6314

GALLUP ZONE PERFS

PBTD .

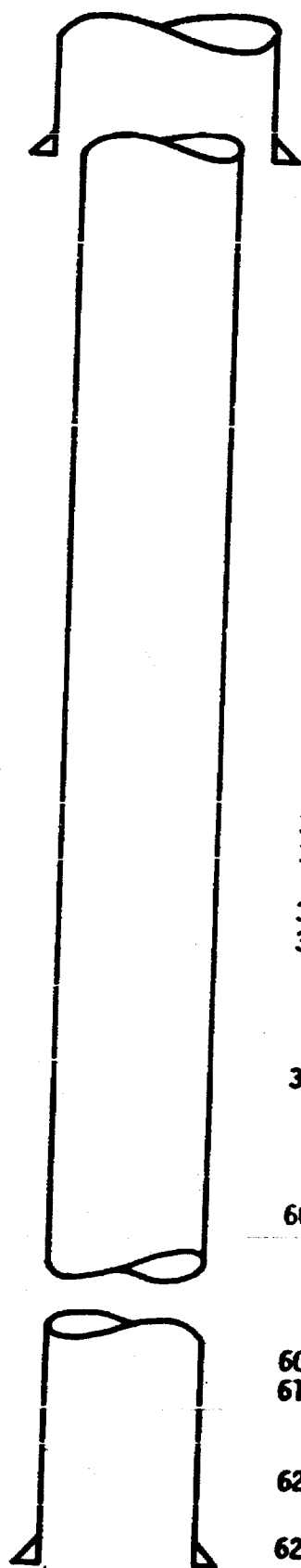
5-1/2 15-1/2# w/200 sx cement

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Y. H. H. EXHIBIT NO. 2
 CASE NO. 6368

Getty Oil Company
 Jicarilla "B" Well No. 13
 660' FNL, 1950' FEL, Sec. 32-25N-5W
 Rio Arriba County, New Mexico
 Elev. 6743 DF



313 10-3/4" 32.75# w/300 sx cement

2300 APPROXIMATE CEMENT TOP

2690-2698 (8') PROPOSED PICTURED CLIFFS PERFORATIONS

3526-3530 (4') PROPOSED CHACRA PERFORATIONS

3552-3558 (6')

3608-3612 (4')

3620-3632 (12')

3638-3644 (6')

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
<i>[Signature]</i>	EXHIBIT NO. <u>3</u>
CASE NO. <u>6368</u>	

3721 DV TOOL w/500 sx cement

6000 PROPOSED CEMENT RETAINER

GALLUP TO BE ABANDONED

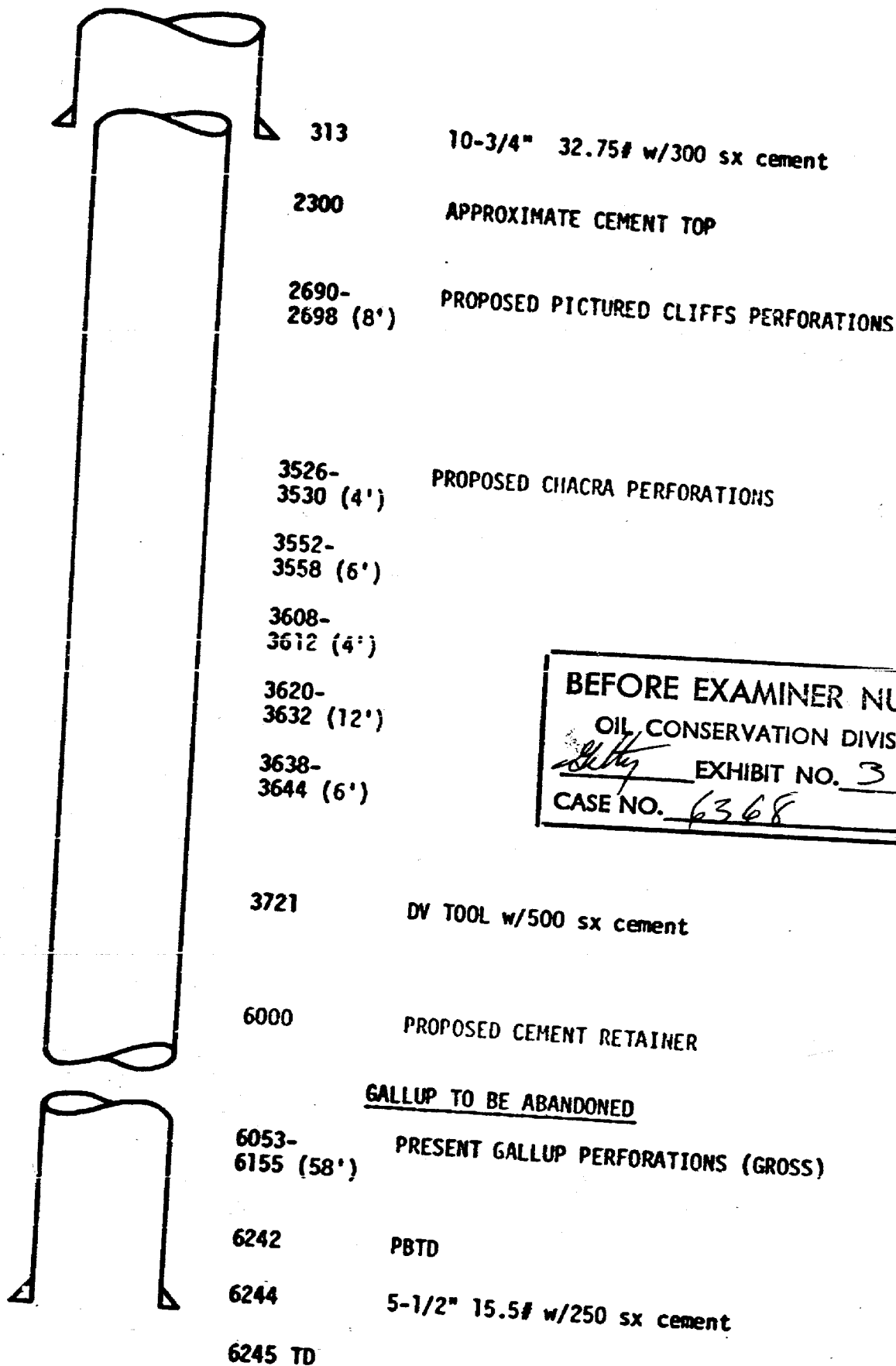
6053-6155 (58') PRESENT GALLUP PERFORATIONS (GROSS)

6242 PBD

6244 5-1/2" 15.5# w/250 sx cement

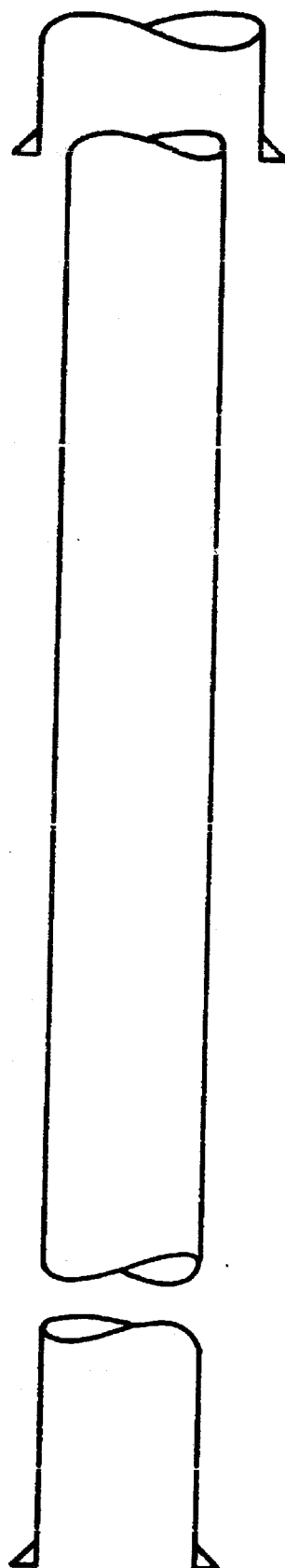
6245 TD

Getty Oil Company
Jicarilla "B" Well No. 13
660' FNL, 1950' FEL, Sec. 32-25N-5W
Rio Arriba County, New Mexico
Elev. 6743 DF



BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
<i>[Signature]</i>	EXHIBIT NO. <u>3</u>
CASE NO. <u>6368</u>	

Getty Oil Company
Jicarilla "B" Well No. 19
660' FSL, 1980' FWL, Sec. 31-25N-5W
Rio Arriba County, New Mexico
Elev. 6754 KB



314 10-3/4" 32.75" w/300 sx cement

2094 TOP OF CEMENT

2610- PROPOSED PICTURED CLIFFS PERFORATIONS
2630 (20')

2660 (1')
2675 (1')
2703 (1')
2722 (1')

3470- PROPOSED CHACRA PERFORATIONS
3475 (5')

3538-
3542 (4')

3550-
3580 (30')

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Getty EXHIBIT NO. 4
CASE NO. 6368

3731 DV TOOL w/500 sx cement

5900 PROPOSED CEMENT RETAINER

GALLUP TO BE ABANDONED

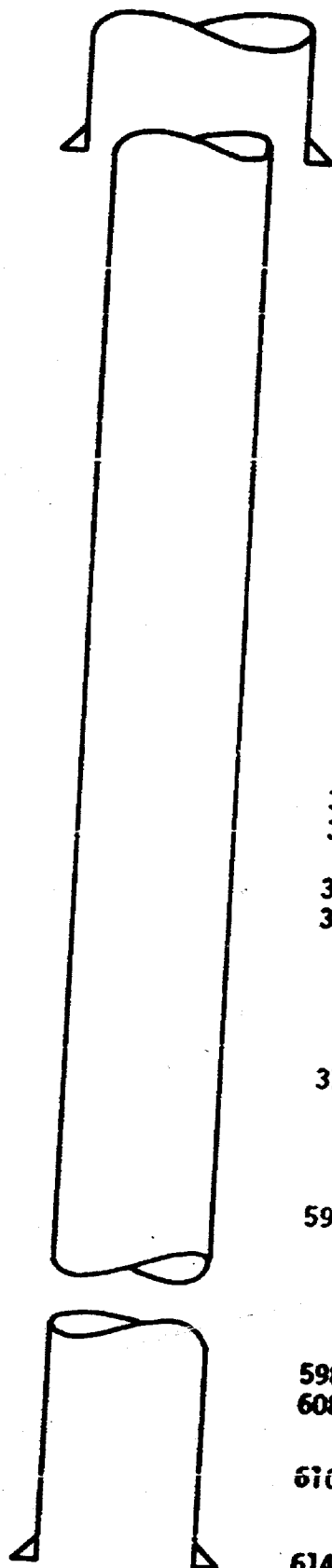
5982- PRESENT GALLUP PERFORATIONS (GROSS)
6080 (50')

6100 PBD

6149 5-1/2 15.5# w/250 sx cement

6150 TD

Getty Oil Company
Jicarilla "B" Well No. 19
660' FSL, 1980' FWL, Sec. 31-25N-5W
Rio Arriba County, New Mexico
Elev. 6754 KB



314 10-3/4" 32.75" w/300 sx cement

2094 TOP OF CEMENT

2610-2630 (20') PROPOSED PICTURED CLIFFS PERFORATIONS

2660 (1')
2675 (1')
2703 (1')
2722 (1')

3470-3475 (5') PROPOSED CHACRA PERFORATIONS

3538-3542 (4')

3550-3580 (30')

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Shelley EXHIBIT NO. 4
CASE NO. 6368

3731 DV TOOL w/500 sx cement

5900 PROPOSED CEMENT RETAINER

GALLUP TO BE ABANDONED

5982-6080 (50') PRESENT GALLUP PERFORATIONS (GROSS)

6100 PBTD

6149 5-1/2 15.5# w/250 sx cement

6150 TD

ROUGH

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. 6368

Order No. R-5388-A

APPLICATION OF GETTY OIL COMPANY
FOR THE AMENDMENT OF ORDER NO. R-5388,
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 November 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, 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"

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 ^{Signal 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."

(2) 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/

Leases in Sections 21, 22, 27, 28, and 31 through 34, Township 25 North, Range 5 West, and Sections 5 and 6, Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico

(8) That the establishment of a procedure wherein additional wells on the subject leases may be completed in such a manner as to permit the commingling of Pictured Cliffs and Chacra production in the well-bore thereof may result in the ~~recovery of~~ 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 Orders NOS. (3) through (6), ^{inclusive,} of Order No. R-5388 are hereby amended to read in their entirety as follows:

any of the above wells or any other well commingled pursuant to the authority herein contained

"(3) That the operator of ~~the subject wells~~ shall immediately notify the Division's Aztec district office any time any of the wells have 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,)

"(4) That the ~~Secretary Director~~ ^{Division Director} of the Commission is hereby authorized to approve commingling of Pictured Cliffs and Chacra 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 Pictured Cliffs and Chacra 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~~ ^{Division's} and one copy with the Supervisor of the ~~Commission~~ ^{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 ~~Secretary Director~~ ^{Division's} to prescribe an allocation formula for

on its Jicarilla "B" and "C" Leases in Sections 21, 22, 27, 28, and 31 through 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, as an amendment to Order No. R-5388.

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

(3) That _____ percent of the commingled _____ production shall be allocated to the Pictured Cliffs zone and _____ percent of the commingled _____ production shall be allocated to the Chacra zone.

(4) That the operator of the subject well shall immediately notify the Division's Aztec 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.

(5) 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.

5923 TS

Amby

LAST 6369: AMCO PRODUCTION COMPANY FOR
NORTHROP GAS WELL LOCATION AND SIMIL-
TANBOS DEDICATION, LEA COUNTY, NEW MEX.