

CASE NO.

6382

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum
Corporation for downhole
comingling, Eddy County, New Mexico.

CASE
6382

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: Joel Carson, Esq.
LOSEE, CARSON, AND DICKERSON
Artesia, New Mexico

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EDDIE MAHFOOD

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Page 3

1 MR. NUTTER: Call Case Number 6382.

2 MS. TESCHENDORF: Case 6382. Application of
3 Yates Petroleum Corporation for downhole commingling, Eddy
4 County, New Mexico.

5 MR. CARSON: Mr. Examiner, my name is Joel
6 Carson, Losee, Carson, and Dickerson, P. A., Artesia, New
7 Mexico, appearing on behalf of the applicant.

8 I have one witness, Mr. Eddie Mahfood.

9 MR. NUTTER: He's still under oath, and
10 qualified.

11
12 EDDIE MAHFOOD

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

15
16 DIRECT EXAMINATION

17 BY MR. CARSON:

18 Q Mr. Mahfood, will you please state the pur-
19 pose of this application?

20 A The purpose is to commingle, downhole com-
21 mingle the Atoka and Permo-Penn completions in this well.

22 Q Okay. What's the name of the well and where
23 is it located?

24 A The Well is the Federal "HQ" Well No. 1.
25 It is located in Unit K of Section 5, Township 21 South,

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1 Range 22 East.

2 Q Mr. Mahfood, I'll refer you to Applicant's
3 Exhibit Number One and ask you to explain that exhibit, if
4 you will.

5 A This is a lease ownership map showing the
6 location of the well, the Federal "HQ" No. 1. It's dedi-
7 cated the south half of Section 5, shown in yellow.

8 Q Okay, Section 5 of 21 South, 22 East?

9 A That is correct.

10 Q I'll ask you to explain Applicant's Exhibit
11 Number Two.

12 A Exhibit Number Two is the diagrammatic sketch
13 of the dual completion, showing we propose to set a packer
14 above the Cisco pay at approximately 6483.

15 There is a packer above the Atoka pay at
16 this time. There is a bridge plug, a bridge plug between
17 the two pays.

18 We propose to remove this retrievable bridge
19 plug to install -- well, there is already a standard valve
20 in the packer on top of the Atoka pay, and to produce the
21 two through a common tubing.

22 Q Now, at what depth are these two formations
23 perforated?

24 A Well, the Atoka is perforated from 7967 to
25 8086. The Cisco is perforated from 6020 to 6110.

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2020 Plaza, Kansas City, Missouri 64111-4401
Kansas City, New Mexico 87101

Q I want to refer you to Applicant's Exhibit Number Three. Would you please explain that exhibit?

A Exhibit Three is the electric logs of this well and the C and L Density log and D and L log.

The perforations are shown on these logs and the pays are colored in orange and orange and yellow.

Q I'll refer you to Applicant's Exhibit Number Four and ask you to please explain that.

A Exhibit Four is a production history of this well. To the left is the production history of the Atoka gas, showing the rapid decline. Initial pressure was in the neighborhood of -- tubing pressure was in the neighborhood of 2350 and when we shut that well in the shutin tubing pressure was a little less than 1600 pounds.

On the right is the Cisco completion. Initial tubing pressure was in the neighborhood of 1900 pounds. We don't have a terminal shutin pressure on this at this time since the well is still on production, but you can see the production is declining.

Q Now is this what you call Cisco the same thing as a -- what we've designated the wildcat Permo-Penn?

A That is correct.

Q Now refer to Applicant's Exhibit -- or we did all the exhibits.

Mr. Mahfood, can you -- are the liquids from

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1 these two wells compatible? I mean these two zones?

2 A The Atoka makes no liquid as far as I can
3 recall. The Cisco does make a little condensate and a small
4 trace of water, but we propose to put a standing valve
5 above the Atoka, which will prohibit the fluid from the
6 Cisco going down onto the Atoka.

7 Q Now, could you tell a little bit about the
8 production history as to how many Mcf per day each one of
9 these zones could produce?

10 A Yes, the Atoka completion has produced a
11 cumulative of 6949 Mcf and will continue to produce for
12 several months after we commingle them.

13 I have not determined the remaining reserves
14 at this time but that will be no problem to do so.

15 The Cisco has produced to the 1st of November,
16 3,081,000 Mcf and there will be some more gas there to be
17 produced yet. We can determine that at a latter date.

18 Q Now, Mr. Mahfood, these Applicant's Exhibits
19 Number One through Four, were they prepared by you or under
20 your supervision?

21 A Yes, sir.

22 MR. CARSON: I would like to move the ad-
23 mission of those exhibits, Mr. Examiner.

24 MR. NUTTER: Yates Exhibits One through Four
25 will be admitted in evidence.

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1 Q Mr. Mahfood, in your professional capacity,
2 is it your opinion that the granting of an order approving
3 downhole commingling would promote good conservation prac-
4 tices and would otherwise prevent waste and protect corre-
5 lative rights?

6 A Yes, I believe it will.

7 Q And do you believe that the program that you
8 have put forth here is in accordance with good engineering
9 practices?

10 A Yes, sir.

11 MR. CARSON: We have no further questions.

12

13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Mahfood, the cumulative production on
16 the Atoka was 6949 Mcf?

17 A Yes, sir.

18 Q And the cumulative to date on the Cisco is
19 what, again?

20 A Is 3,081,000 as of November the 1st.

21 Q 3,081,000 cubic feet or Mcf?

22 A Cubic, cubic feet, -- 3,081 Mcf.

23 Q And what is the current daily production
24 from the Cisco?

25 A The Cisco -- yesterday the well produced

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1 45 Mcf per day at 350 pounds of tubing pressure.

2 Q Is that about a typical day's production?

3 A Today they'll probably make 21,000.

4 Q What does it do?

5 A We're stopcocking; we're shutting it for two
6 or three days and we're producing it, and we let it build up
7 and then blow it down. It's a very tight reservoir.

8 Q So what would it average on a thirty day
9 period?

10 A Probably in the neighborhood of 15,000 a day.

11 Q 15 Mcf a day?

12 A 15 Mcf a day.

13 Q About 450 a month, then?

14 A Yes, sir.

15 Q And it looks like the Atoka prior to being
16 shut in had declined to approximately 70 Mcf per day.

17 A That is correct, yes, sir.

18 Q Again, how are we going to determine what
19 the allocation is between the two zones?

20 A From pressures and cumulative production
21 which will determine their remaining reserves.

22 Q Will you consult with the Artesia office of
23 our Division and make an allocation formula with them?

24 A Yes, sir, sure will.

25 MR. NUTTER: Are there any further questions

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of Mr. Mahfood? He may be excused.

Do you have anything further, Mr. Carson?

MR. CARSON: Nothing further in this case.

MR NUTTER: Does anyone have anything they

wish to offer in Case 6382?

We'll take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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

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

SALLY WALTON BOYD
COURT REPORTER
3027th Street, New York 1001

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6383
heard by me on 11/21 1978.
[Signature] Examiner
Oil Conservation Division

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. 6382
Order No. R-5880

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 21, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of December, 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, Yates Petroleum Corporation, is the owner and operator of the Federal "HQ" Well No. 1, located in Unit N of Section 5, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle Upper Pennsylvanian and Little Box Canyon-Atoka production within the wellbore of the above-described well.

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

(5) That from the Little Box Canyon-Atoka 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.

-2-

Case No. 6382
Order No. R-5880

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

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Upper Pennsylvanian and Little Box Canyon-Atoka production within the wellbore of the Federal "HQ" Well No. 1, located in Unit N of Section 5, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico.

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

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

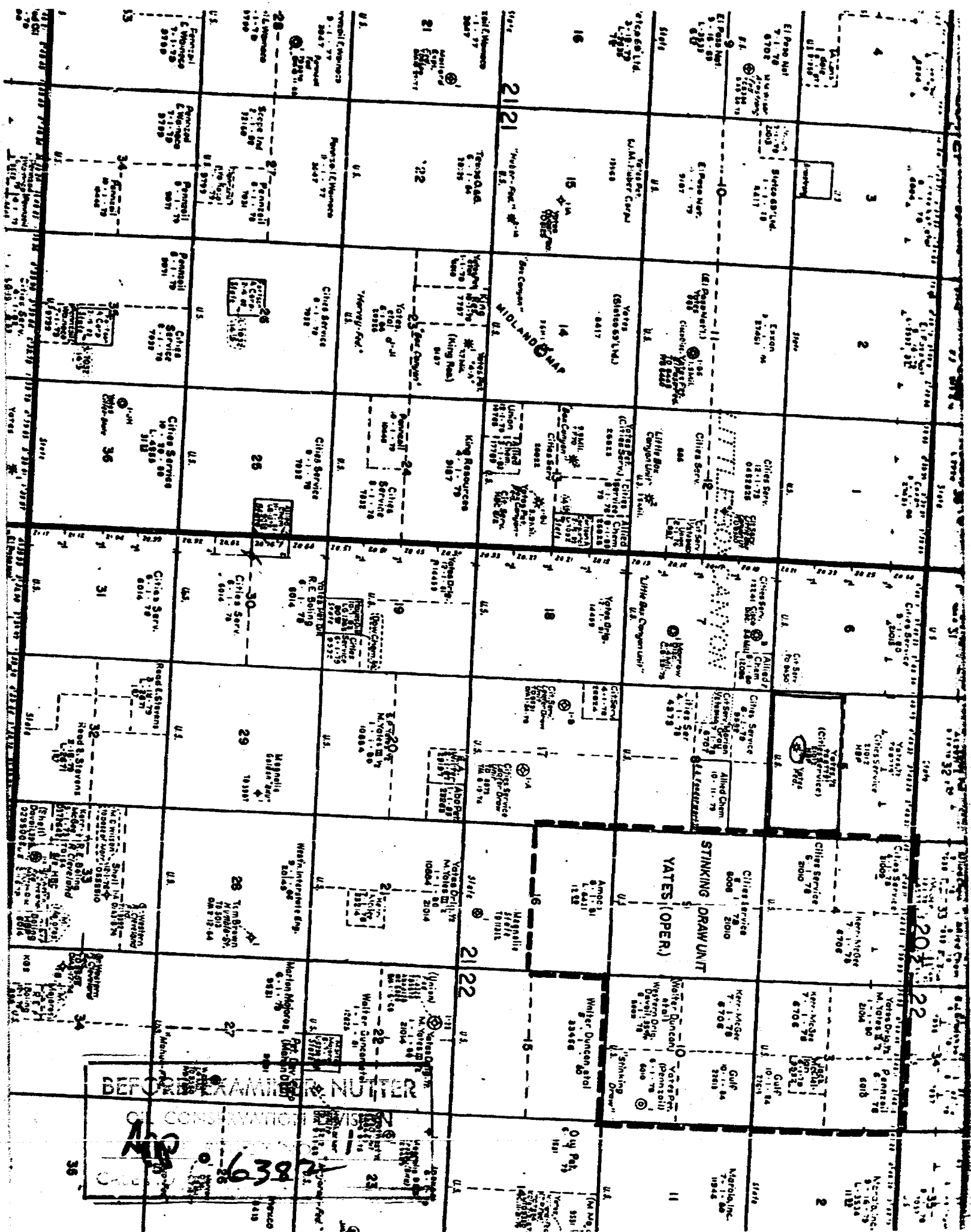
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director



Engineering Division of proposed dual completion and downhole logging
Federal HQ Nel, N-5-215-22E,

Elevation: 4314 GL = 4329 KB
Spudded: 4-13-77
Atoka Completed 6-17-77
Temp Aban 3-20-78
Canyon Completed 4-7-78

15 1/2" hole to 30' GL
13 3/4" 48" K55 Csg set at 30' GL,
cmt'd w/ 3 yds ready-mix to surface.

12 1/2" hole to 1100' KB
8 5/8" 24" K55 Csg set at 1100' KB,
cmt'd w/ 775 sx C/C, circulated

Top of Glorieta SL @ 1495' KB

Top of Abn Shale @ 2533' KB

Top of Wolfcamp h @ 4682' KB

Top of Penn @ 5997' KB

Top of Canyon @ 6552' KB

(Wildcat) ELSCO PAY
IPF - 549 mcfpd on 4-Pt test

Top of Strawn @ 7258' KB

Top of Atoka @ 7820' KB
(Little Box Canyon) ATOKA PAY
IPF - 445 mcfpd on 4-Pt test

Top of Morrow @ 8110' KB

BEFORE EXAMINER NUTTER
PBD-8198 KB

AMP
6382 2

To commingle - retrieve Bridge Plug from
7525' KB

Guiberson UNI-VI Pkr w/ On-Off tool
on 2 1/2" Tubing set at 6043' KB

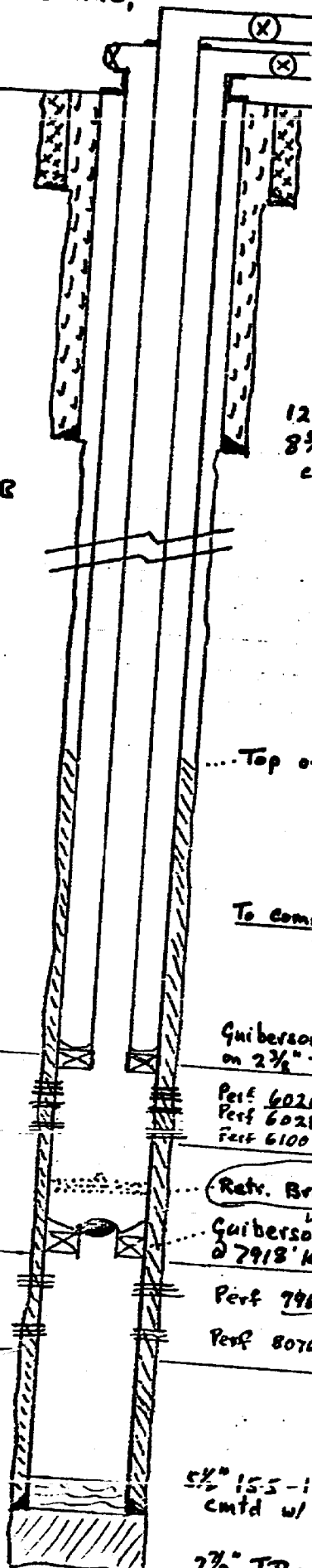
Perf 6028-26 12 0.34" Ttd 1000g 15% MSB+N
Perf 6028-32 8 0.34" Ttd 1000g 15% MSB+N
Perf 6100-10 20 0.34" Ttd 1000g 15% MSB+N

Retv. Bridge Plug @ 7525' KB on 3-20-78
will be removed
Guiberson UNI-VI Pkr w/ On-Off Tool
@ 7918' KB, w/ Standing Valve.

Perf 7967-78 44 0.32" Ttd 2000g 7 1/2% MSB+N
Perf 8076-86 40 0.32" Ttd 1000g 7 1/2% MSB+N

5 1/2" 15.5-17" K55 Csg set at 8240' KB,
cmt'd w/ 405 sx C/I H + Lite.

7 7/8" TD - 8679' KB



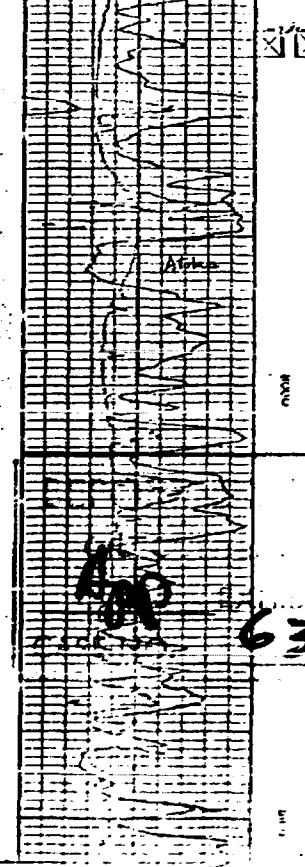
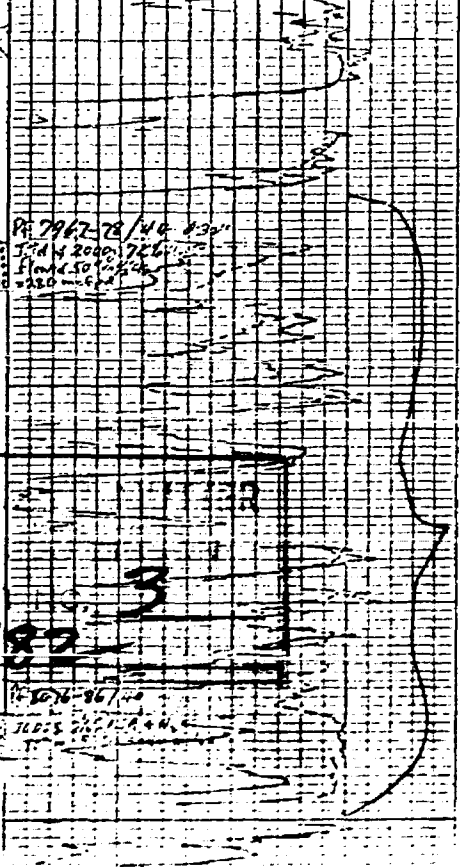
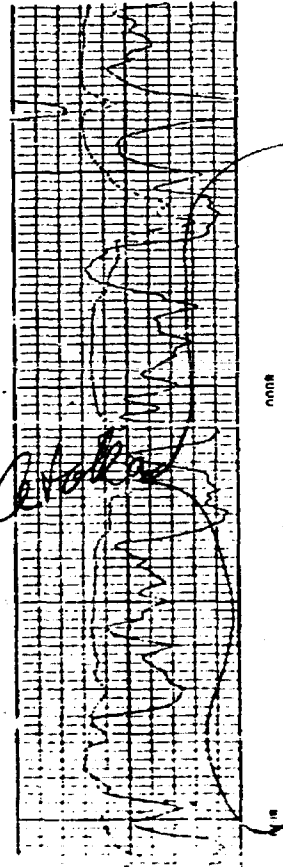
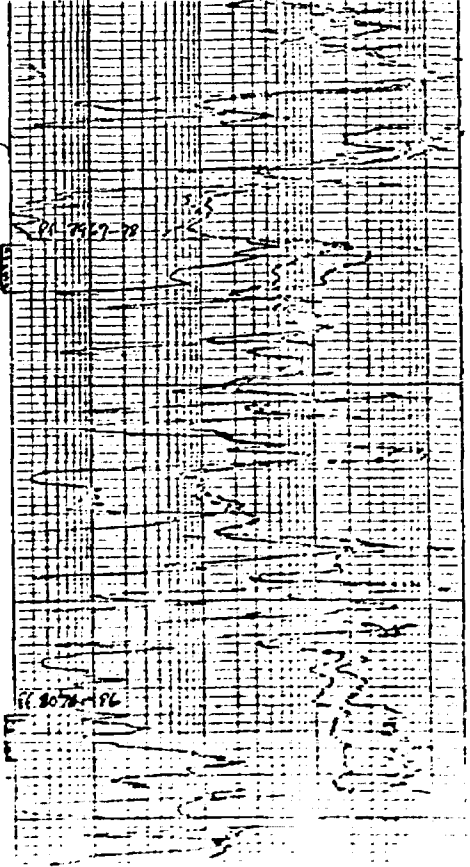
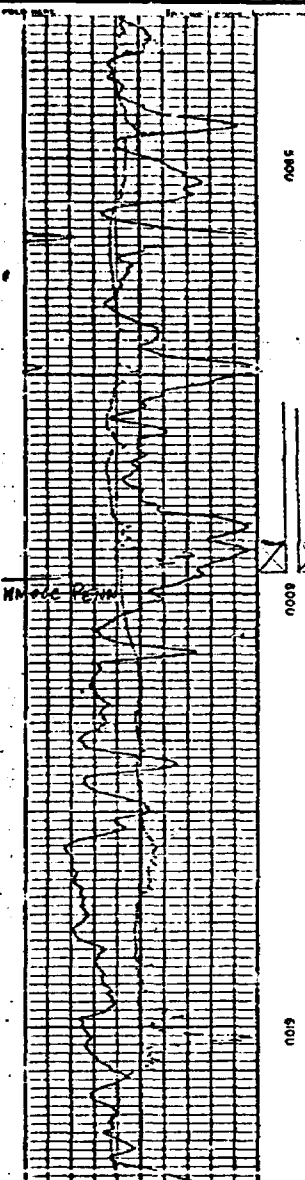
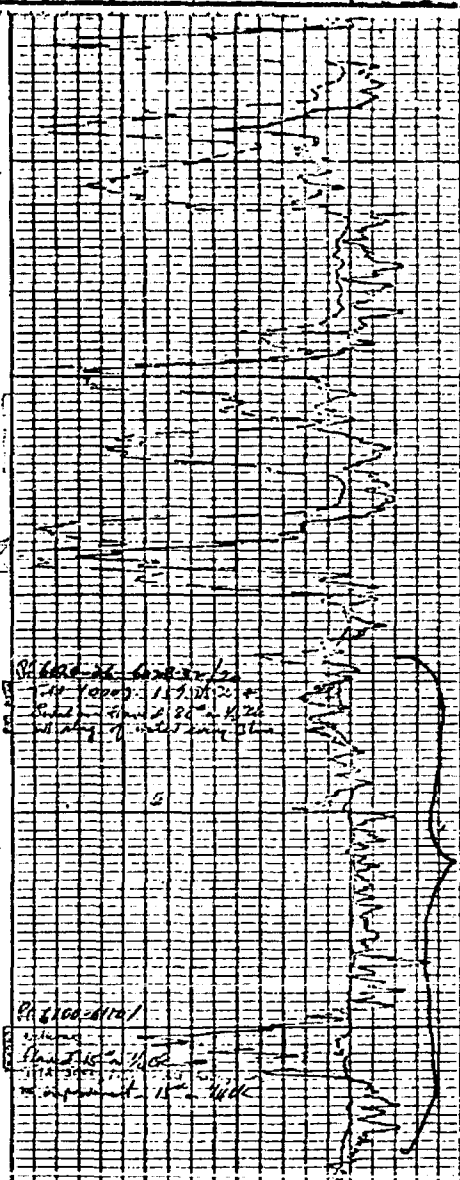
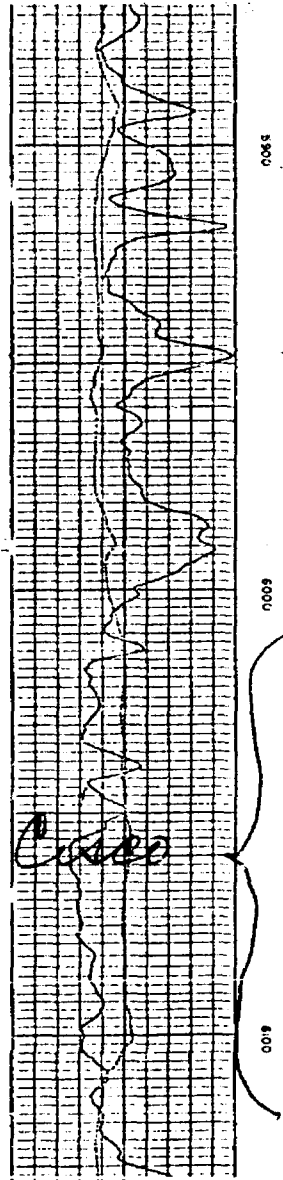
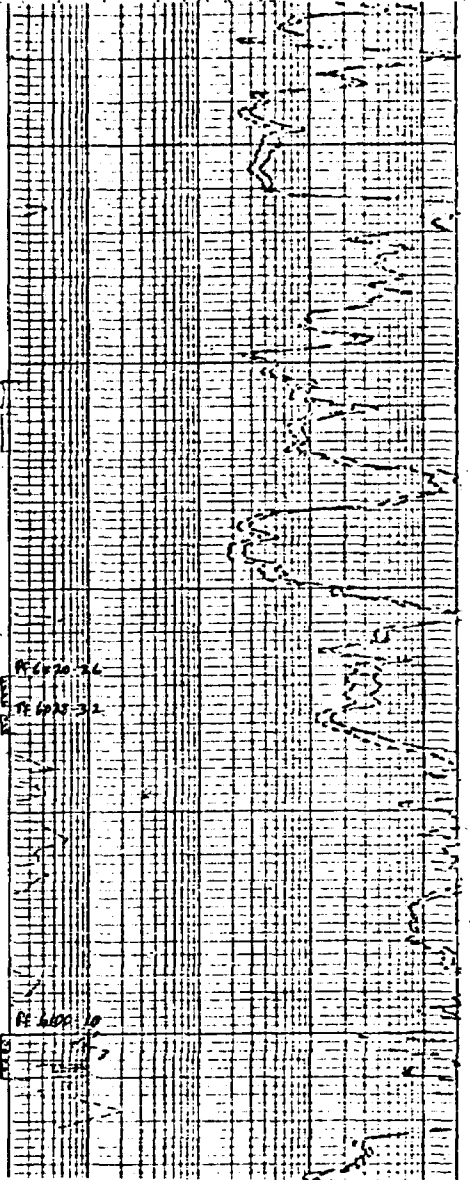
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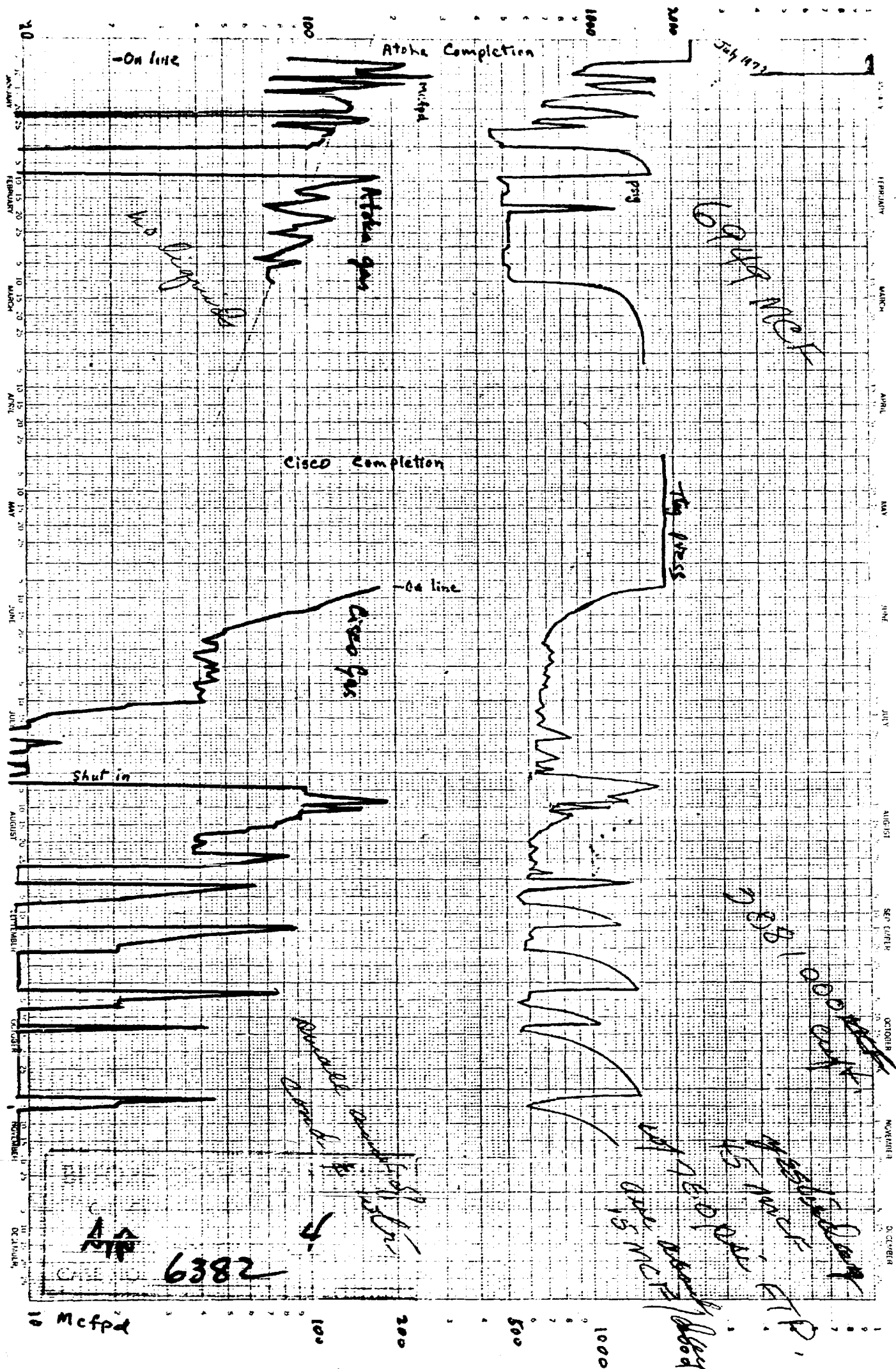
COMPANY NAME: WILL FEDERAL
FIELD: WFO
COUNTY: EDDY STATE: NEW MEXICO
DATE: 04-1-80
TIME: 11:15
BY: WFO

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COMPANY NAME: WILL FEDERAL
FIELD: WFO
COUNTY: EDDY STATE: NEW MEXICO
DATE: 04-1-80
TIME: 11:15
BY: WFO

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Black-Oil
Red-Gas
Green-Tbg. Press.

BOX CANYON HO. FED.
Yates Pet. Corp.

1979

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION for DOWN- :
HOLE COMMINGLING, EDDY COUNTY, :
NEW MEXICO :

CASE NO. 6382

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,
and in support hereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian system at a location in Unit K, Section 5, Township 21 South, Range 22 East, N.M.P.M., Eddy County, New Mexico, upon which it has drilled its Federal "HQ" No. 1 Well. This well is located within the boundaries of the Little Box Canyon Atoka Pool.

2. That applicant has completed said well in the Little Box Canyon Atoka formation at a depth of 7,967 feet to 8,090 feet and proposes to commingle said formation with the Wildcat Permo-Penn formation at a depth of 6,020 feet to 6,110 feet.

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

WHEREFORE, applicant prays:

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

B. That upon hearing the Division enter its order granting permission to applicant to commingle downhole its Federal

"HQ" No. 1 Well for the production of gas from the Pennsylvanian formation.

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

YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

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. 6382

Order No. R-5880

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 21
19 78, at Santa Fe, New Mexico, before Examiner Daniel S.
Nutter.

NOW, on this December 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, Yates Petroleum Corporation, is
the owner and operator of the Federal "HQ" Well No. 1,
located in Unit N of Section 5, Township 21 South,
Range 22 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle
Upper Pennsylvanian ~~Permo Perm~~ Cisco Perm and Little Box Canyon-Atoka production
within the wellbore of the above-described well.

(4) That from the ~~Giscon~~ Upper Pennsylvanian ~~Permo-Penn~~ zone, the subject well is capable of low marginal production only.

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

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

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

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

~~(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, _____ percent of the commingled _____ production should be allocated to the Permo-Penn _____ zone, and _____ percent of the commingled _____ production to the Little Box Canyon-Atoka zone.~~

~~(Alternative)~~

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

- CASE 6380: Application of Harvey E. Yates Company, Inc., for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Travis Deep Well No. 3 located in Unit 8 of Section 13, Township 18 South, Range 28 East, to produce oil from the Travis-Upper Pennsylvanian Pool and gas from the Morrow formation, Eddy County, New Mexico, through parallel strings of tubing.
- CASE 6381: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Cottonwood Creek-Wolfcamp and Atoka production within the wellbore of its Lizzie Howard "HK" Well No. 1 located in Unit K of Section 13, Township 16 South, Range 25 East, Eddy County, New Mexico.
- CASE 6382: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Permo-Penn and Little Box Canyon-Atoka production within the wellbore of its Federal "HQ" Well No. 1 located in Unit K of Section 5, Township 21 South, Range 22 East, Eddy County, New Mexico.
- CASE 6383: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Eagle Creek Permo-Penn and the West Atoka-Morrow production within the wellbore of its Powell "DC" Com. Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.
- CASE 6384: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Permo-Penn and Atoka production within the wellbore of its Federal "AB" Com. Well No. 5 located in Unit L of Section 21, Township 18 South, Range 25 East, Eddy County, New Mexico.
- CASE 6385: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Box Canyon Permo-Penn and Box Canyon-Strawn production within the wellbore of its Huber I-A Federal Well No. 2 located in Unit P of Section 15, Township 21 South, Range 21 East, Eddy County, New Mexico.
- CASE 6386: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger, Devonian, and McKee formations underlying the N/2 of Section 21, Township 22 South, Range 36 East, Lea County, New Mexico, to be dedicated to its Langley Greer Com Well No. 1 located 1650 feet from the North line and 1980 feet from the West line of said Section 21. 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 6387: Application of R B Petroleum Company for pool reclassification, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the North Tocito Dome-Pennsylvanian Pool as an associated pool and the promulgation of special pool rules therefor. In the alternative, applicant seeks the abolishment of the North Tocito Dome-Pennsylvanian Pool and the inclusion of the abolished lands in the Tocito Dome Pennsylvanian "D" Associated Pool.
- CASE 6388: 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 E/2 of Section 20, Township 23 South, Range 29 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 6389: Application of Durham, Inc., for pool contraction and extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the N/2 of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, or in the alternative, all of said Section 8, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid N/2 or all of said Section 8.
- CASE 6390: Application of C & E Operators for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down thru the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 30 North, Range 11 West, San Juan 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.

Docket No. 37-78

Dockets Nos. 39-78 and 40-78 are tentatively set for hearing on December 7 and 20, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 14, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases are continued from the November 7, 1978, Commission Hearing.

CASE 6146: (DE NOVO) (Continued and Readvertised)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6266: (DE NOVO)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

Upon application of Harvey E. Yates Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6377: Application of Durham, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North and East lines of said Section 8. 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 6378: In the matter of the hearing called by the Oil Conservation Division on the motion of Shell Oil Company to permit Corinne Grace and all other interested parties to appear and show cause why Division Order No. R-3713, which pooled all of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, should not be declared null and void, if said pooling order has not already automatically expired due to non-production.

CASE 6379: Application of Shell Oil Company for pool contraction and pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the N/2 of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, or in the alternative, all of said Section 8, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid N/2 or all of said Section 8.

Docket No. 38-78

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 21, 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for December, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for December, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6391: Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Wantz-Abo, and Drinkard production within the wellbore of its Sarkeys Well No. 1 located in Unit A of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6364: (Continued from October 25, 1978, Examiner Hearing)

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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle ~~Lower~~ ^{Upper} ~~Permo-Penn~~ and Little Box Canyon-Atoka production within the wellbore of the Federal "HQ" Well No. 1, located in Unit M of Section 5, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico.

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

(ALTERNATE)

(2) That percent of the commingled production shall be allocated to the Permo-Penn zone and percent of the commingled production shall be allocated to the Little Box Canyon-Atoka zone.

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

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

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

SuperTV

LINEAR ALGEBRA