

CASE NO.

6385

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

SALLY WALTON BOYD  
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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  
6385

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, & DICKERSON  
Artesia, New Mexico

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EDDIE MAHFOOD

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1 MR. NUTTER: Call Case Number 6385.

2 MS. TESCHENDORF: Case 6385. Application of  
3 Yates Petroleum Corporation for downhole commingling, Eddy  
4 County, New Mexico.

5 MR. CARSON: May I proceed, Mr. Examiner?

6 MR. NUTTER: Yes, sir.

7 MR. CARSON: My name is Joel Carson, Losee,  
8 Carson, Dickerson, P. A., appearing on behalf of the appli-  
9 cant. I have one witness, Mr. Eddie Mahfood, who has pre-  
10 viously been sworn and qualified in Cause Number 6381, and  
11 his qualifications have previously been acceptable in those  
12 causes.

13 MR. NUTTER: He's qualified and still under  
14 oath.

15  
16 EDDIE MAHFOOD

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. CARSON:

22 Q Mr. Mahfood, would you please state the  
23 purpose of this application?

24 A The purpose is to establish dual completion  
25 and permit to commingle all perforations in this wellbore.

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1 Q I refer you to Applicant's Exhibit Number  
2 One and ask you to identify that.

3 A This is a lease ownership map showing the  
4 location of the well and the location -- the location of  
5 the pool as will be applied for, if not already applied  
6 for, designation in this area.

7 The yellow would be the Permo-Penn area in  
8 the Box Canyon Field, and outlined in orange is the 320-  
9 acres dedicated to the Huber I-A Federal No. 2, the well  
10 in question.

11 Q Right, and that well is located in Unit P --

12 A Unit P of Section --

13 Q -- 15, 21, 21.

14 A That's correct. And, incidentally, that  
15 location of the unit -- of the Federal I-A No. 1 Well is  
16 in error. It should be in the north half rather than in  
17 the south half on this map.

18 MR. NUTTER: That's the dry hole there?

19 A That's the dry hole, yeah, it's in the north  
20 half.

21 MR. NUTTER: What is it, one 40 north?

22 A I beg your pardon?

23 MR. NUTTER: Is it located in the next 40  
24 to the north, or what?

25 A Yes, sir.

Q Mr. Mahfood, I refer you to Applicant's Exhibit Number Two and ask you to identify that.

A Exhibit Number Two is the diagrammatic sketch of the proposed downhole commingling.

Q Okay, would you please explain it to the Examiner?

A We have shown here all the perforations in this well. We are showing the location proposed for packers and would like to commingle the Strawn, in which it is presently completed, with the Cisco Canyon perforations.

The Wolfcamp and Abo perforations did not give up anything on test. We propose to leave that closed in behind the tubing with fluid on the annulus.

Q What you refer to as the Cisco is officially the Box Canyon Permo-Penn, is that correct?

A This is correct.

Q Mr. Mahfood, referring back to this Exhibit Number Two, are the liquids in this well compatible or what have you done to prevent their --

A At the moment the well is presently completed in the Strawn and we thought at one time it was in the Permo-Penn but it has been since then shown that the perforations are Strawn and there is no communication at the present time, so when we dual we propose to set a standing valve in the packer, which is above the Strawn, before un-

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1 latching the tubing. Then pulling tubing, running back  
2 with another packer and setting this other packer at approx-  
3 imately sixty -- no, approximately 5600 feet.

4 Q Mr. Mahfood, let me refer you to Applicant's  
5 Exhibit Number Three and ask you to explain that.

6 A Exhibit Number Three is the electric logs of  
7 this well, showing the perforations from the Permo-Penn  
8 through the Strawn and the pay zones are colored in orange  
9 and orange and yellow.

10 Q I refer you to Applicant's Exhibit Number  
11 Four and ask you to explain that exhibit.

12 A Exhibit Number Four is the production history  
13 of the Strawn zone in this well. In red is the gas production  
14 and the curve above it would be the flowing tubing pressures,  
15 and the initial shutin tubing pressure is 1920 pounds.

16 Q And what was your last reading?

17 A The last reading the well -- on this chart  
18 the well was flowing at -- the gas was flowing at 140 Mcf  
19 per day with 800 pounds of tubing pressure.

20 Yesterday the well was flowing 150 Mcf a day  
21 with 1200 pounds tubing pressure.

22 Q Mr. Mahfood, were these exhibits prepared --  
23 were these exhibits Number One through Four prepared by you  
24 or under your supervision?

25 A Yes, sir.

1 MR. CARSON: I'd like to move the introduction  
2 of Applicant's Exhibits Number One through Four.

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

5 Q Now, Mr. Mahfood, what would you recommend as  
6 to the formula for the allocation of production from these  
7 various formations?

8 A I don't have a potential for gas in the  
9 Permo-Penn. We did get some oil and water from it, whereas  
10 the Strawn apparently is all gas, and there is a little bit  
11 of oil with the Strawn, and we have a measure of that.

12 Well, we'll have a reserve estimate on the  
13 Strawn, and I guess we'll just have to go back through logs  
14 and come up with some reserve estimate for the Permo-Penn,  
15 because by itself it did not give us very much gas.

16 Q Well, can you get together with the local  
17 Oil Conservation Division and work out a satisfactory for-  
18 mula for allocation of production?

19 A Yes. Yes.

20 I might point out that the Strawn zone was  
21 the last interval perforated. We were about to plug this  
22 well when we went back and tested the Strawn and we got  
23 surprisingly large volume of gas from it.

24 Q Mr. Mahfood, in your professional opinion,  
25 will the granting of this application be in accordance with

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1 good conservation practices and will it prevent waste and  
2 otherwise protect correlative rights?

3 A Yes, sir.

4 Q Mr. Mahfood, in your opinion is this -- is  
5 this proposal that you've set forth in accordance with sound  
6 engineering practices?

7 A I think it is, sir.

8 MR. CARSON: I have no further questions of  
9 the witness.

10  
11 CROSS EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Mahfood, you lost me on this well; we  
14 have too many perforations.

15 Now, up here at the top we've got the Abo,  
16 and we've got Wolfcamp. Now, apparently those are both oil  
17 zones.

18 A Yes. Well, yes, sir, we -- when we first  
19 tested the Abo was making -- Wolfcamp tested two barrels of  
20 oil per day, four barrels of water, no gas.

21 The Abo tested six barrels of oil and 29  
22 barrels of water per day, and gas too small to measure.

23 Q Now, both of those are shut in in the annulus  
24 right now?

25 A Yes, they're both shut in in the annulus with

1 fluid on top of the packer.

2 Q And so in effect they're commingled.

3 A They're commingled, but the well is loaded  
4 with fluid. There will be no flow, no cross flow.

5 Q Now would both of those zones remain shut in  
6 now under this proposal?

7 A Yes, sir.

8 Q All right. Then we have this group of per-  
9 forations from below that packer. I guess the perforations  
10 are from 5914 --

11 A From 5814 to 6266 is behind the tubing at  
12 the present time. We propose to set a standing valve in  
13 the packer at 6750; to pull the tubing; go back in the hole  
14 with another packer and set this other packer to approxi-  
15 mately 5600 feet.

16 Q Now, this is what we're calling Permo-Penn  
17 in the well, is that it?

18 A This is correct, yes, sir.

19 MR. CARSON: Box Canyon Permo-Penn.

20 A Box Canyon Permo-Penn.

21 Q And it actually has two groups of perfora-  
22 tions, one is in the Cisco at 5814 to 6084, and the other  
23 is in the Canyon from 6239 to 66.

24 A That is correct.

25 Q Okay. And then we have one little group of

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1 perforations down at 6790 to 96, and that is the Strawn in  
2 the well.

3 A That is the Strawn zone. Yes, sir.

4 Q And that's not producing now, is it?

5 A It is producing. The Strawn is producing.

6 Q Well, how is it coming through -- how is it

7 coming through this interval from the perforations up to  
8 the tubing without being commingled with the Cisco Canyon?

9 A Sir, this diagrammatic is -- this diagram is  
10 the proposed diagram.

11 Q Okay, so at the present time, then, this  
12 tubing is extending down to this lower packer.

13 A This is correct.

14 Q Okay. This is one of the things that had  
15 me confused. This is your proposal.

16 A This is my proposal.

17 Q Okay. And then we can forget about the  
18 Morrow down here.

19 A Yes, sir.

20 Q Not involved.

21 A We have a bridge plug with cement on top of  
22 the bridge plug.

23 Q Okay. And the well has never produced from  
24 anything except the Strawn?

25 A Sir, we tested the Permo-Penn. We produced

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1 some 3 or 400 barrels of oil on pump, by pumping the well.  
2 The well would not flow. There's insufficient gas to flow  
3 the well. It produced approximately 50 barrels per day of  
4 water while we were testing it, which was in the early part  
5 of the year, and I don't have the production history of it,  
6 but we plugged the well when we decided to go and test that  
7 Strawn zone; we were pleasantly surprised.

8 The Strawn, through November the 1st, has  
9 produced 8742 Mcf with a gas/oil ratio in the neighborhood  
10 of 80,000-to-1. Initial shutin tubing pressure is 1920  
11 and looks like we haven't hardly dropped the pressure any.

12 The Permo-Penn on December 20, '77 showed a  
13 tubing pressure of 1120 pounds but it was partially loaded  
14 up with salt water and condensate, no oil.

15 Q Well, do you intend to someday produce these  
16 Abo and Wolfcamp perforations?

17 A Sir, I think we depleted them in the very  
18 short time we tested.

19 Q You think they're depleted, then?

20 A They won't give up very much.

21 Q I see.

22 A If anything.

23 Q So that's why they're going to stay the way  
24 they are?

25 A Yes, sir.

1 MR. NUTTER: Okay. Are there any further  
2 questions for Mr. Mahfood? He may be excused.

3 Do you have anything further, Mr. Carson?

4 MR. CARSON: Nothing further, Mr. Examiner.

5 MR. NUTTER: Does anyone have anything they  
6 wish to offer in Case Number 6385?

7 We'll take the case under advisement.

8 (Hearing concluded.)  
9  
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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  
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I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the hearing held on Case No. 6385  
 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. 6385  
Order No. R-5883

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 Huber 1A Federal Well No. 2, located in Unit P of Section 15, Township 21 South, Range 21 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle Box Canyon Permo-Penn and Box Canyon-Strawn production within the wellbore of the above-described well.

(4) That from the Box Canyon Permo-Penn zone, the subject well is expected to be capable of low marginal production only.

(5) That from the Box Canyon-Strawn 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. 6385  
Order No. R-5883

(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 Box Canyon Permo-Penn and Box Canyon-Strawn production within the wellbore of the Huber 1A Federal Well No. 2, located in Unit P of Section 15, Township 21 South, Range 21 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-  
designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
  
JOE D. RAMEY  
Director

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

Diagrammatic Sketch of Proposed Dual & Downhole Commingling  
YPC - Huber 1A Federal No. 2, P-15-215-21E, Box Canyon Area, Eddy Co., N.M.

Elevation: 4549 SL = 4564 KB  
 Spudded: July 18, 1977  
 Completed: April 6, 1978

Water table estimated @ 988' KB

Top of Glorieta sd @ 1294' KB

Top of Abo @ 3178' KB

Abo No. 3578-3913 tested on pump  
 6 ROPD + 29 BW, gas TSTM.

Top of Wolfcamp @ 4270' KB  
 Abo-Wolfcamp pfs 4148-4382 subbed  
 2 ROPD + 4 BW, gas TSTM

Top of Perm @ 5646 KB

Cisco Canyon pfs 5914-6034  
 Flowed 5 Wtr + Cond @ 350 mscf/d  
 16-hr SITP = 1400" FTP: 70-270" @ 1/2" ck  
 Top of Canyon @ 6042' KB  
 Canyon pfs 6239-66, SW & Cond, 1 B/hr  
 48 hr SITP = 300"

Top of Strawn @ 6788 KB  
 Strawn Pav Flowed 75" @ 1/2" ck = 585 mscf/d

Top of Harker @ 7300 KB

Little Box Canyon - Morrow  
 Swabbed @ Flow @ Salt Water, gas TSTM

(X) Flow Cisco Canyon - Strawn Commingled

(X) Abo-Wolfcamp Shut in with fluid to surface

Surface is weathered San Andres  
 17 1/2" hole to 260' KB  
 13 7/8" 61" KSS Csg set @ 260' KB  
 cmt'd to surface w/ 12 yds Ready Mix

12 1/4" hole to 1303' KB  
 8 7/8" 24" KSS Csg set at 1303' KB  
 cmt'd to surface w/ 400 sx.

*more well  
 remain*

Top of cement @ 3112' KB (Bond log).

Perf 3579-3913 21 0.34" holes  
 Ttd 2000g, 15% DS-30 w/ Ball Sealers  
 S. Frac 50000 psi in 42000g. Total water

Perf 4143-4382 20 0.34" holes  
 Ttd 2000g, 15% DS-30 w/ Ball Sealers  
 Perf 4698' 2 holes, cmt'd w/ 400 sx C/C.

Top of primary cement @ 4800' KB  
 Propose: To get Standing Valve in Strawn Pav  
 @ 6750' KB, run tag w/ pkr to about 5750' KB,  
 commingle Cisco Canyon & Strawn.

Perf 5914-5918 5 0.31" holes - 500g, 15%  
 Perf 5901-5906 10 0.31" holes - 700g, 15%  
 Perf 5927-5931 40 0.28" holes - 2000g, 15% + N<sub>2</sub>  
 Perf 6012-6020 12 0.34" holes - 1000g, 15%  
 Perf 6078-84 12 0.34" holes - 500g, 15%  
 Perf 6239-6266 62 0.32" holes  
 Ttd w/ 3000g, 15% DS-30

Guiberson 4111-VI Pkr @ 6750' KB

Perf 6790-96 7 0.34" holes - 1000g, 15% + N<sub>2</sub>  
 Ttd 5000g, 15% DS-30 + 2500g, c.d.

CIBP @ 6900' KB w/ 12' cement

5 1/2" 15.5" K-55 Csg set @ 7717' KB, cmt'd  
 w/ 630 sx C/C.

Perf 7732-7742 40 0.32" Ttd 1000g, 7% + N<sub>2</sub>

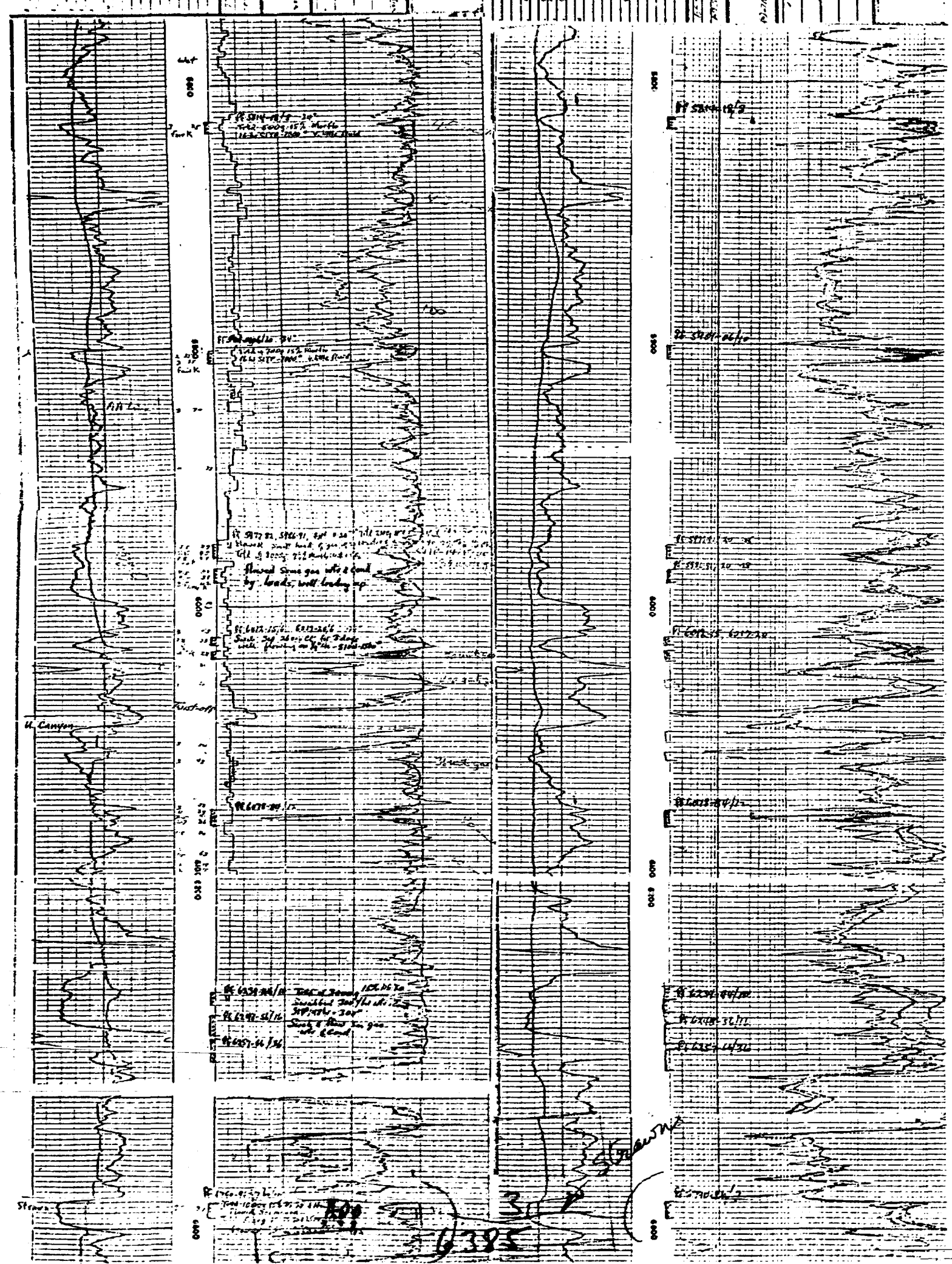
3 1/2" 9.3" Hydriil A-95 lining @ 7644-7891 KB,

Td 4148 8050' KB, 1 1/2" hole

MAF 4148 8050'

[illegible]

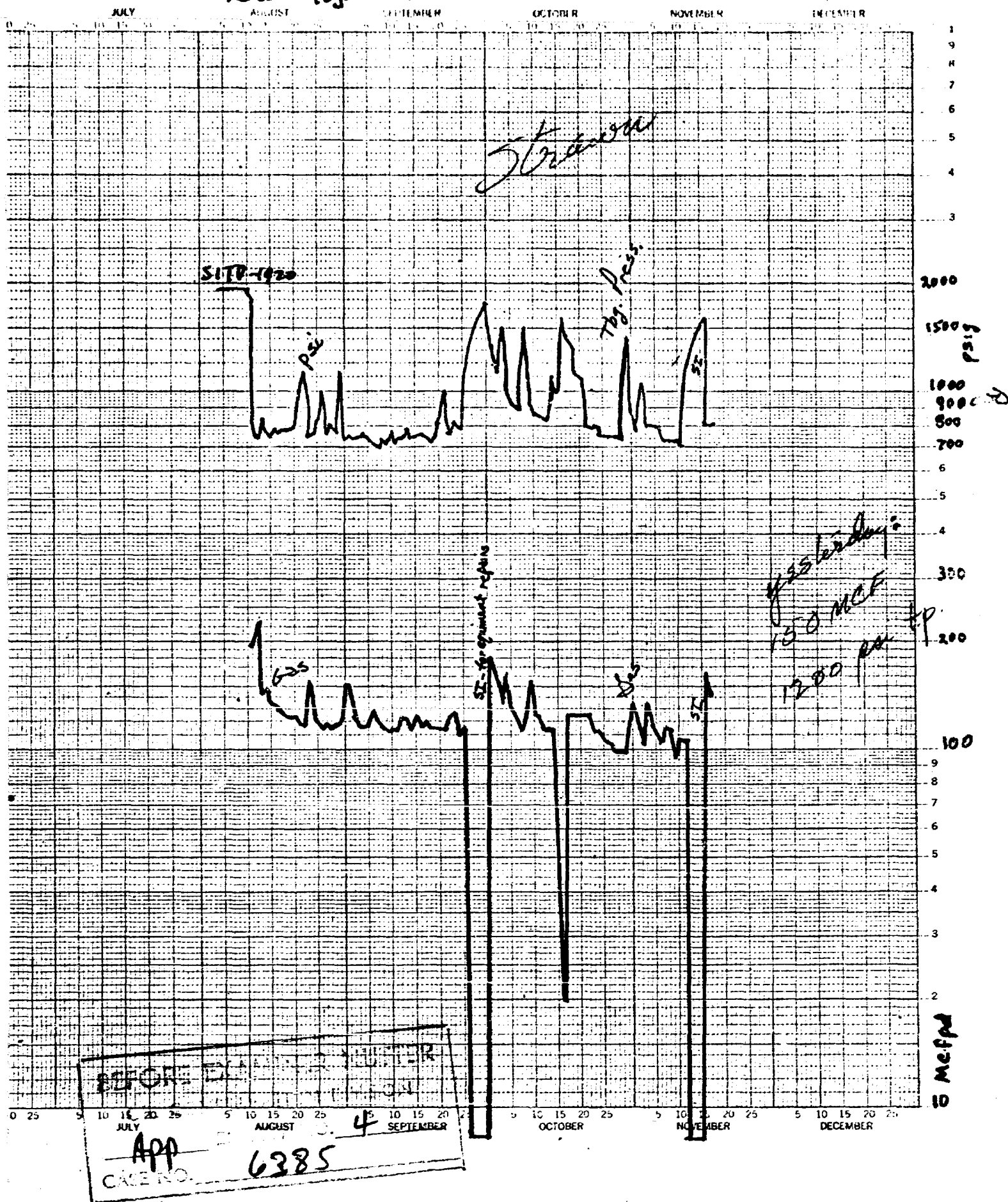
Date: 12-1-72.

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

Huber IA #2  
Yates Pet. Corp.

1978





- 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 B 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 "DG" 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 sforesaid 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.

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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. Mutter, 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.



OCT 30 1978

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. 6385

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 P, Section 15, Township 21 South, Range 21 East, N.M.P.M., Eddy County, New Mexico, upon which it has drilled its Huber I-A Federal No. 2 Well. This well is located within the boundaries of the Box Canyon Permo-Penn Pool.

2. That applicant has completed said well in the Box Canyon Permo-Penn at a depth of 5,814 feet to 6,266 feet and proposes to commingle said formation with the Box Canyon Strawn by perforating said formation at a depth of 6,790 feet to 6,796 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 Huber

I-A Federal No. 2 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. 6385

Order No. 5883

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 <sup>78</sup> 78, at Santa Fe, New Mexico, before Examiner Daniel S.  
Nutter

NOW, on this December day of November, 19 78, 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 <sup>Huber 2A</sup> ~~1~~ 2 Federal Well No. 2,  
located in Unit P of Section 15, Township 21 South  
Range 21 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle  
Box Canyon Permo-Penn and Box Canyon-Strawn production  
within the wellbore of the above-described well.

(4) That from the Box Canyon Permo-Penn zone, the subject well is <sup>~~expected to be~~</sup> capable of low marginal production only.

(5) That from the Box Canyon-Strawn 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 Box Canyon Permo-Penn zone, and \_\_\_\_\_ percent of the commingled \_\_\_\_\_ production to the Box Canyon-Strawn zone.~~

(ALTERNATE)

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Box Canyon Permo-Penn and Box Canyon-Strawn production within the wellbore of the Huber <sup>IA</sup> Federal Well No. 2, located in Unit P of Section 15, Township 21 South, Range 21 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 Box Canyon Permo-Penn zone and \_\_\_\_\_ percent of the commingled production shall be allocated to the Box Canyon-Strawn 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.

5023 19  
**Amberg**

CASE 8386: ATLANTIC RICHFIELD COMPANY  
FOR COMPULSORY POOLING, LTA COUNTY, NEW  
MEXICO