CASE NO.

6391

APPlication, Transcripts, Small Exhibits,

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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 Acoma Oil Corporation for downhole comingling, Lea County, New Mexico.

CASE 6391

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

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, & SANTELL
50 Old Santa Fe Trail
Santa Fe, New Mexico 87501

INDEX

SAM W. HOGAN

Direct Examination by Mr. Carr Cross Examination by Mr. Nutter

EXHIBITS

Applicant Exhibit One, Plat Applicant Exhibit Two, Sketch Applicant Exhibit Three, Diagram Applicant Exhibit Four, Data Sheet Applicant Exhibit Five, C-116 Applicant Exhibit Six, C-124 Applicant Exhibit Seven, Production curve Applicant Exhibit Eight, Production curve Applicant Exhibit Nine, Letters

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MR. NUTTER: Call now Case Number 6391.

MS. TESCHENDORF: Case 6391. Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico.

MR. CARR: May it please the Examiner, I am William F. Carr, Catron, Catron and Sawtell, Santa Fe, appearing on behalf of the Applicant. I have one witness who needs to be sworn.

(Witness sworn.)

SAM W. HOGAN

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

DIRECT EXAMINATION

BY MR. CARR:

please?

Will you state your full name for the record, Q.

Sam W. Hogan.

Mr. Hogan, by whom are you employed and in what position?

I am employed by Acoma Oil Corporation and I am their engineer and agent of their operation.

Have you previously testified before this Commission and had your credentials accepted as an engineer

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and made a matter of record?

- Yes, I have.
- Ç. Are you familiar with the application in this case?
 - Yes.
- Q. Will you please state briefly what Acoma Oil Corporation is seeking with this application?
- We're seeking to commingle downhole three particular zones in the S. J. Sarkeys No. 1-A.

MR. CARR: Mr. Examiner, are the witness* credentials acceptable?

MR. NUTTER: Yes, they are.

- Q. (Mr. Carr continuing.) Will you please refer to what has been marked for identification as Applicant's Exhibit Number One and explain to the Examiner what it is and what it shows?
- This is a map of the particular area surrounding our Sarkeys No. 1-A. It shows the location of No. 1-A to be in the northeast quarter of the northeast quarter of Section 26, 21 South, 37 East, Lea County, New Mexico.

On the map there are circled in green a number of the wells that I have knowledge of that have been dually completed, and have downhole commingling permits granted to them.

| Mr. Hogan, would you point out the location |
|---|
| of the Harper Oil Company well which was the subject matter |
| of Case Number 6375? |
| A It's immediately south in the quarter section |
| south of our No. 1-A and it's marked No. 2 Sarkeys. It's |
| also in the northeast quarter of Section 26. |
| Q And this is an application for downhole com- |
| mingling the same zones which are the subject of this case, |
| is that correct? |
| A. Yes, that's correct. |
| MR. NUTTER: All three? |
| A Beg pardon? |
| MR. NUTTER: All three of those zones? |
| A Yes, sir. |
| MR. NUTTER: And that was Case Number 6375, |
| Mr. Carr? |
| MR. CARR: Yes, sir, Mr. Examiner. |
| MR. NUTTER: Go ahead. |
| Q (Mr. Carr continuing.) Will you refer to |
| what has been marked as Exhibit Number Two and explain to |
| the Examiner what it is and what it shows? |
| A This is a diagrammatic sketch showing the |
| original triple completion and it's present completion |

showing the packer settings and tubing settings for the

three zones, the lower zone being the Wantz-Abo; the middle

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zone being the Drinkard; and the upper zone being the

MR. CARR: Mr. Examiner, at this time I Blinebry Zone. would like to point out that the Abo and the Drinkard are currently being commingled downhole and the order approving that is Order Number R-4248.

MR. NUTTER: R-4248?

MR. CARR: Yes, sir.

(Mr. Carr continuing.) Mr. Hogan, are these zones flowing or are they being artificially lifted?

At this time they are dead; they're not doing anything; can't get them to flow or nothing.

Will you refer to what has been marked for identification as Exhibit Number Three and explain what it

It's also a diagrammatic sketch showing what we will use as a single completion. We'll use one string is? of 2-3/8ths inch tubing to be set just above the Abo zone and to produce by pump all three zones through one string of tubing.

All right, now refer to Exhibit Number Four and explain to the Examiner what this shows.

This is a data sheet and we're showing the production interval, the Blinebry producing from 5733 to 5811; the Drinkard producing interval from 6465 to 6575;

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the Abo producing interval from 6867 to 7218.

We also show the gravities of the different fluids produced from the three different zones and they'll average about, ch, 38-1/2 to 39 gravity.

The value of the oil per barrel on an average is \$14.80.

all zones are presently commingled aboveground by the pipeline company and it's been stated the Abo
and the Drinkard are presently commingled downhole and
there has been no incompatibility problems that have been
encountered in there.

We're also showing on this sheet a proposed oil allocation which would be as follows: The Blinebry oil would produce 58 percent; the Drinkard 17 percent; the Abo 25 percent.

On the gas the Blinebry allocation would be zero; the Drinkard 47 percent, and the Abo 53 percent.

- Q. Now, Mr. Hogan, page two of this exhibit sets out the stimulation treatment given to each of the zones, is that correct?
 - A Yes, sir, it is.
- Q Will you now refer to Exhibit Number Five and explain to the Examiner what it is and what is shows?
- A. Exhibit Number Five are Forms C-116, the gas/ oil ratio tests. They're on the Blinebry and on the Wantz-

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Abo and on the Drinkard zone.

Q And these show recent rates of production from each zone?

- A Yes, they do.
- Q Now refer to Exhibit Number Six and again explain to the Examiner what it shows.
- A. Exhibit Number Six is the C-124, reservoir pressure report, recent reports taken on the Blinebry and on the Drinkard-Wantz Abo, which is a commingled zone and one pressure was taken on those two zones.
- Q Are the pressures such that you would not anticipate migration between the zones?
 - A That's correct.
- Number Seven and explain to the Examiner what it is.
- monthly production curve showing the decline of the production on the Blinebry, the Abo, and the Drinkard zones. I might state that the last few months are not platted on this curve but they're almost zero production on both of the leases. Both of the zones.

MR. CARR: Mr. Examiner, these are marked as Exhibits Number Seven and Number Eight.

MR. NUTTER: All right.

Now, Mr. Hogan, refer to -- strike that.

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| Mr. | Hogan, | have | you | notified | offset | operators | of | this | appli- |
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| cat: | ion? | | | | | | | | |

- A. Yes, sir, I have.
- And are copies of these letters marked as Exhibit Number Nine?
 - Yes, they are.
- In your opinion, if the application is granted, will it result in increased recovery of hydrocarbons?
 - Yes, sir, it will.
- Will the value of the commingled production be reduced by the commingling?
- The value? No, it should -- with these gravities they should remain the same.
- And in your opinion will waste result from granting this application?
- No, there won't be any waste; there will be a gain.
- Okay, will granting the application therefore be in the interest of conservation and the protection of correlative rights?
 - That's correct, yes, it will.
- Mr. Hogan, have you reviewed what has been marked as Exhibit One through Exhibit Nine and can you testify to their accuracy?

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A. Yes.

MR. CARR: At this time, Mr. Examiner, we would offer Exhibits One through Nine.

MR. NUTTER: Applicant's Exhibits One through Nine will be admitted in evidence.

MR. CARR: I have nothing further on direct.

MR. NUTTER: What was Exhibit Nine, Bill?

MR. CARR: Exhibit Nine is a copy of the

letters notifying the offset operators.

(There followed a discussion off the record.)

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hogan, why have we had zero gas allocated to the Blinebry? Doesn't it make gas?

A. All of the tests that have been run on it by the engineering company whose responsibility it is to take the gas/oil ratio tests, have always reported it as too small to measure, and have not given it on any of the C-116 reports any gas.

Q Well, I notice here on Exhibit Number Five, which is your gas/oil ratio test, that the Sarkeys A-1, which is the well we're talking about --

A. Yes, sir.

| Q that is listed as gas too small to measure |
|---|
| but the Sarkeys B-1, which is one location to the west, has |
| a gas/oil ratio of almost 27,000-to-1. |
| A I wish I could explain why, Mr. Examiner, |

A I wish I could explain why, Mr. Examiner, but I can't. It's just a peculiar situation we have over in that portion of the field, and our wells and some of the others along that line are just low gas/oil ratio.

Q. How long has the Blinebry been producing in this well?

- A. It was completed in 1962, I believe it was.
- Q And it's never produced gas?
- A. Only just the very small quantities of gas, yes, sir.
- Now these gas/oil ratios for the Wantz-Abo
 and the Drinkard, which are also part of this same exhibit
 Number Five --
 - A Yes, sir.
- Q -- I presume for this A-1 they are calculated tests for the Wantz-Abo and the Drinkard, inasmuch as those zones are commingled, aren't they?
 - A Yes, sir.
- Q So this is just a breakdown of the production from the two commingled zones.
- A. All the gas from all the wells goes through one meter; it's all metered through one meter, so we just

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had to break it down, and it's downhole commingled, so we just have to make a percentage calculation.

- And the same for the oil wells.
- A Yes, sir. Yes, sir, that's right.
- Q Do you recall what the breakdown for the commingled production in Wantz-Abo and Drinkard is, as far as the allocation?
 - A At this time?
 - Q Yeah, under the old order?
- A. I have it in my briefcase but I think it's very similar to the one I used this time.
 - Q Well --
 - A Would you like for me to --
- Q -- I can see where it would be probably identical for gas, since you're not attributing any gas production to the Blinebry, but these percentages would be affected by adding 58 percent Blinebry in here on the oil allocation, so I would appreciate knowing what the oil allocation on the old order is.
 - A Let me see if I can't find that.
 - Q Okay.

MR. CARR: Mr. Examiner, it's 33 percent is allocated to the Drinkard and 67 percent to the Wantz-Abo.

MR. NUTTER: Is that oil or gas or both?

MR. CARR: That's the oil and the gas. No,

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I'm sorry, and a 100 percent of the commingled gas production to the Drinkard.

MR NUTTER: 100 percent gas to Drinkard; 33 percent oil to Drinkard.

MR. CARR: Uh-huh.

MR. NUTTER: And 67 percent oil to Abo and zero percent gas to Abo.

MR. CARR: That's correct.

Q (Mr. Nutter continuing.) Now, Mr. Hogan, you mentioned that these decline curves for these two reservoirs stopped here at August and that the well had not produced at all since that time?

A. We've produced some oil out of it. We've swabbed some oil and that's about -- we can't get the well to flow. We did try to swab it to see if we could get it to flow and we cannot.

- Q The well has never had pumping equipment installed on it, then?
 - A No, sir, it hasn't.
- Q So it's now your proposal to commingle and pump all three?
 - A All three zones, yes, sir.
- Q Well, now, on your decline curve here for Abo and Drinkard, it appears here that Abo quit producing back in April, or have we just not extended the curve?

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| A Let me go back to it. No, those figures |
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| actually, what has happened on that. Mr. Examiner, is that |
| the fact that we have on those few months we gave an |
| equal amount to each one of the zones, so therefore those |
| for those few months in there, we split it fifty-fifty be- |
| tween them. |

- Q So the two curves would be the same.
- A So the two curves would coincide, yes, sir.
- Q. I see.
- A. That's the reason for that.
- Q And then it appears, then, that in August each zone would have made only about 12 barrels in the month of August.
 - A That's about right, yes, sir.
- Q. And over here in the Blinebry in August, the Blinebry made approximately 45 barrels for the month.
 - A. Yes, sir.
- Q. Is the ownership of all three zones identical, Mr. Hogan?
 - A. Yes, sir.

MR. CARR: Yes.

MR. NUTTER: Are there any further cuestions of Mr. Hogan? He may be excused. Do you have anything further, Mr. Carr?

MR. CARR: Nothing further.

SALLY WALTON BOY CENTIFIED SHOOTHAND METON 1994 PLANS BLUNCK (\$16.) 471-4 Banks Pt., New Mondo 471-4

MR. NUTTER: Does anyone have anything they wish to offer in Case 6391?

We'll take the case under advisement. (Hearing concluded.)

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.

do hereby conting that the foregoing is a committee of the fire that the foregoing is the fire that the foregoing is the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the foregoing is a committee of the fire that the fire that the foregoing is a committee of the fire that the fir

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ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

JERRY APODACA GOVERNOR

NICK FRANKLIN BECRETARY

January 2, 1979

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING BANTA FE, NEW MEXICO 87501 15051 827-2434

| , | |
|--|--|
| Mr. William F. Carr | : CASE NO. 6391 ORDER NO. R-5887 |
| Campbell & Black Attorneys at Law | |
| Post Office Box 2208 Santa Fe, New Mexico | Applicant: |
| | Acoma Oil Corporation |
| Dear Sir: | |
| | copies of the above-referenced ntered in the subject case. |
| Yours very truly, JOE D. RAMEY | |
| Director | |
| | |
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| JDR/fd | \$ |
| Copy of order also sent to | |
| Hobbs OCC x Artesia OCC x Aztec OCC | |
| Other | |

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 6391 Order No. R-5887

APPLICATION OF ACOMA OIL CORPORATION FOR DOWNHOLE COMMINGLING, LEA 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 29th 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, Acoma Oil Corporation, is the owner and operator of the Sarkeys Well No. 1, located in Unit A of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Blinebry, Wantz-Abo and Drinkard production within the wellbore of the above-described well.
- (4) That from the Blinehry zone, the subject well is capable of low marginal production only.
- (5) That from the Wantz-Abo zone, the subject well is capable of low marginal production only.
- (6) That from the Drinkard zone, the subject well is capable of low marginal production only.

-2-Case No. 6391 Order No. R-5887

- (7) 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.
- (8) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed cosmingling provided that the well is not shut-in for an extended period.
- (9) 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 Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.
- (10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 58 percent of the commingled oil production and none of the gas production should be allocated to the Blinebry zone, 17 percent of the commingled oil production and 47 percent of the gas production to the Wantz-Abo zone, and 25 percent of the commingled oil production and 53 percent of the gas production should be allocated to the Drinkard zone.
- (11) That Division Order No. R-4248, which previously authorized the commingling of Drinkard and Wantz-Abo production in the subject well, should be superseded.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Acoma Oil Corporation, is hereby authorized to commingle Blinebry, 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, NMPM, Lea County, New Mexico.
- (2) That 58 percent of the commingled oil production and none of the gas production shall be allocated to the Blinebry zone, 17 percent of the commingled oil production and 47 percent of the gas production shall be allocated to the Wantz-Abo zone, and 25 percent of the commingled oil production and 53 percent of the gas production shall be allocated to the Drinkard zone.
- (3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and

-3-Case No. 6391 Order No. R-5887

shall concurrently present, to the Division, a plan for remedial action.

- (4) That Division Order No. R-4248 is hereby superseded.
- (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.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Matten

DIRECTOR

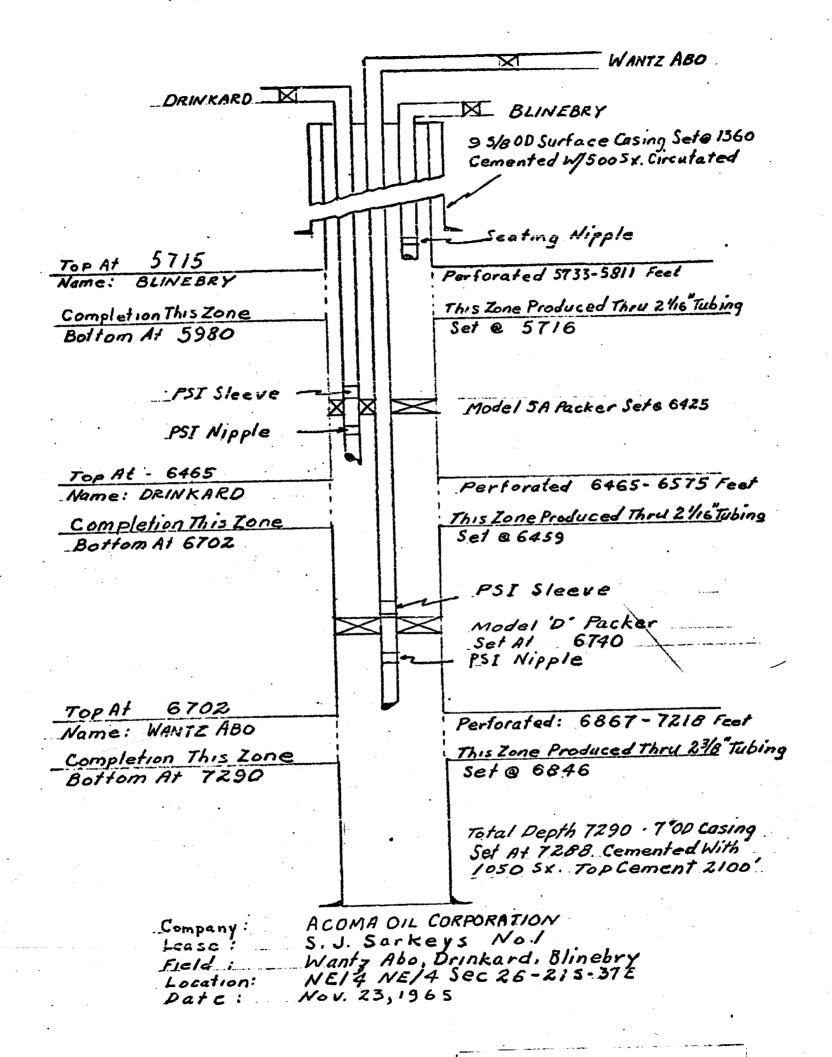
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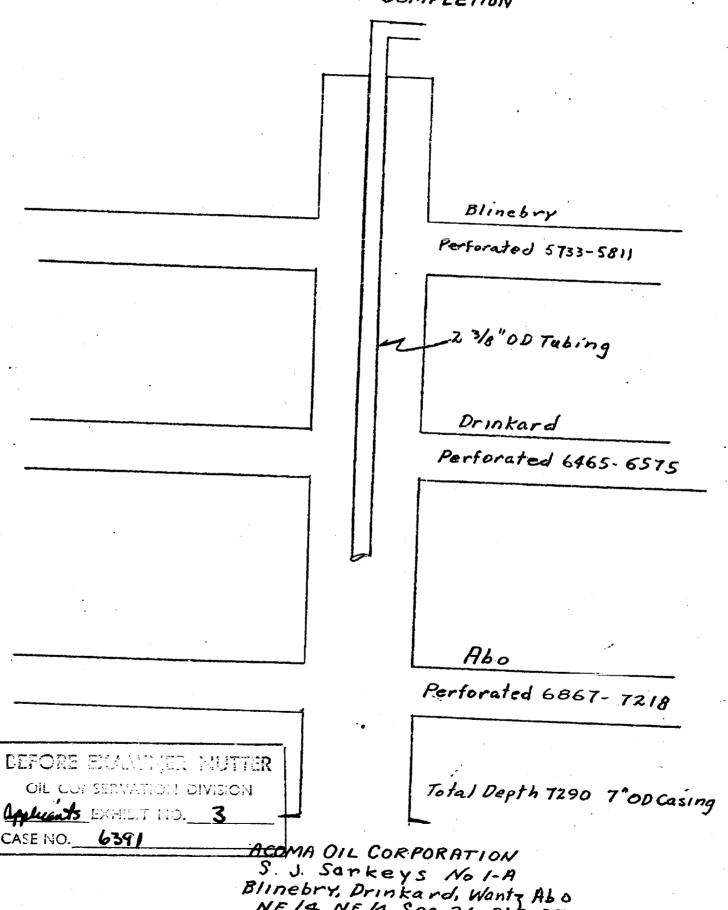
| ACOMA OIL CORPORA | TREFORE EXAMINER NUTTER |
|--|-------------------------|
| SARKEYS LEASE | OIL COMPERANTO |
| T-21-S R-37-E LEA COUNTY, NEW MEXIC | Desticant EXHIBIT NO. |
| CEA COURTY, NEW MEXIC | CASE NO. 6391 |
| SCALE:1"=2000' | |

DIAGRAMMATIC SKETCH SHOWING TRIPLE COMPLETION INSTALLATION



Applicants 12. 12. 2. CASE NO. 6391

DIAGRAMMATIC SKETCH SINGLE COMPLETION



Blinebry, Drinkard, Wanty Abo NE 14 NE 14 Sec 26-215,-37E

DATA SHEET Acoma Oil Corporation S. J. Sarkey 1-A

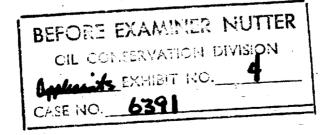
| | Producing | Interval | 5733-5811 |
|----------------------|------------|----------|-----------|
| Blinebry Drinkard | Producing | | 6465-6575 |
| Abo | Producing | Interval | 6867-7218 |
| Fluid Gravities | | | 38.6 |
| Blinebry | • | , | 38.2 |
| Drinkard | | | 38.7 |
| Abo Average gravity | commingled | oil | 38.5 |
| Value per barre | | | \$14.80 |

All zones are commingled above ground by pipeline company.

Abo and Drinkard zones are commingled downhole at present time by Order No. R-4248, Case No. 4645. No incompatibility problems have been encountered.

Proposed oil allotment would be as follows:

| LTOboson | 500 | Gas | 0 |
|-----------|---------|-----|-----|
| Blinebry | Oil 58% | | 479 |
| Drinkard. | oil 17% | Gas | 47% |
| Prinkaru. | oil 25% | Gas | 53% |



Stimulation Treatment - Sarkeys 1-A

Blinebry: Acidized w/2000 Gal. Fraced w/20,000 Gal. gelled oil 30000# Sand

Drinkard: Acidized w/2000 gal. Fraced w/20,000 Gal. gelled oil

27000# Sand

Wantz ABO: Acidized w/120 Bbbl. XFW Acid 95 Bbl. oil

Well completed September, 1965

CASE NO.

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No well will be usuigned an ellewable greater than the amount of oil produced on the official test,

Duirg goodli relie tret, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by rore thin 35 present. Operator is encounaged to take advantage of this 25 present talerapse in order that well can be assigned secressed allowables when outborised by the Commission.

Gas volumen must be reported in MCF measured at a pressure base of 16.025 pala and a temperature of 60° F. Specific gravity base

Report easing pressure to they of tubing pressure for any well producing through easing.

Kall original and one copy of this orper to the district edites of the New Moutes Oli Conservation Commission in accordance with that appropriate pool rules.

I hereby certify that the above information is true and complete to the beat of my knowledge and belief.

Car (Signal 17. 75

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NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

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Acoma Oil Corporation
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Ft. Worth, Texas 76102 eral Survey All depths plus or minus sea level; all pressures psi; Bomb shall be calibrated frequently enough against a dead weight tester to ensure an accuracy of one per cent; gas gravity shall be determined by analysis; liquid level shall be feet above datum plane. see note sea. * Well shall be produced at least 24 hours prior to shutting in for sonic test. 1629 S.J. Sarkeys A BEFORE EXAMINER NUTTER I hereby corelly that the above intermetten is true and semplete to the best of my knowledge and belief. LEASE MELL > LOCATION 26 21 6.1 Blinebry Oil
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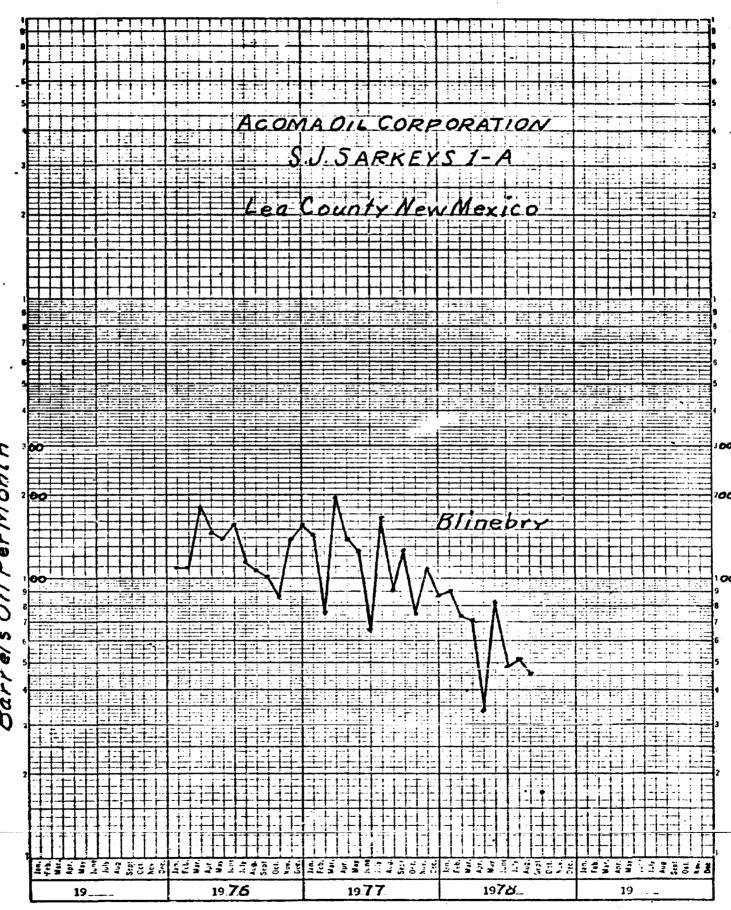
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NEW MEXICO OIL CONSERVATION COMMISSION

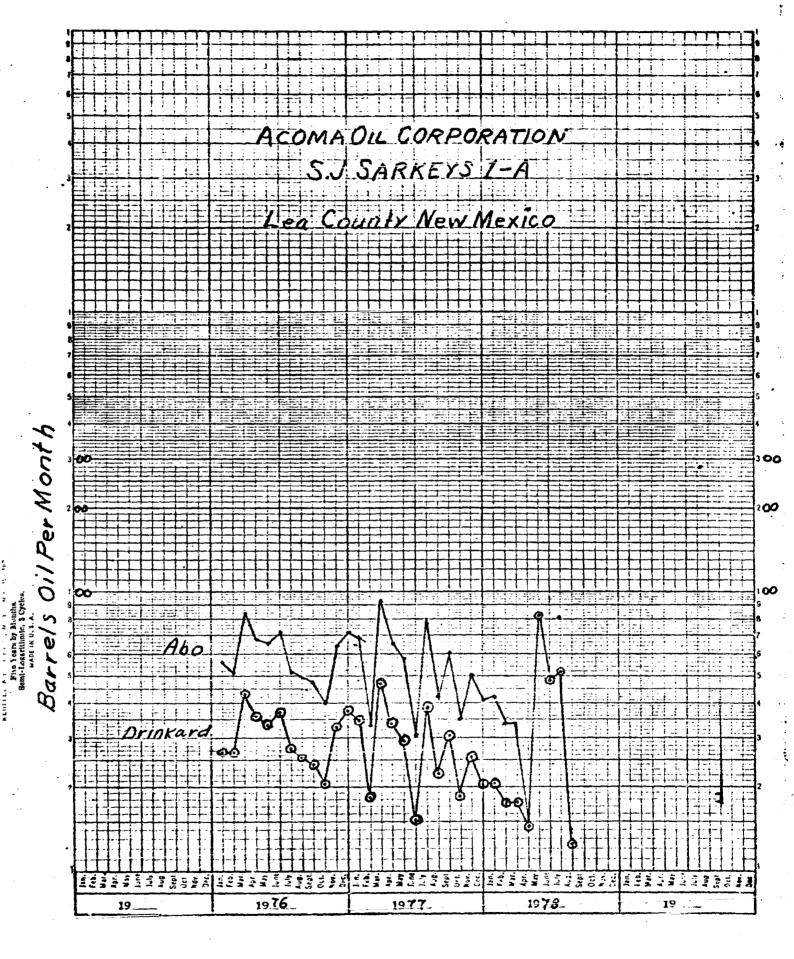
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All depths plus or minus sea level; all pressures psi; Bomb shall be calibrated frequently enough against a dead weight tester to ensure an accuracy of one per cent; gas gravity shall be determined by analysis; liquid level shall be feet above datum plane. S.J. Sarkeys A Acoma Oil Corporation
Address 812 Continental Life Bidg. TYPE OF REPORT -- (X) oneral Survey Ft. Worth, Texas 76102 LEASE Buly that the above information is true and complete to the best of my knowledge and belief. MELL A LOCATION 92 **47** Pbyrinkappotton
Wantz Abo 5387 GL Drinkard - Wantz Abo 0 40/28/78 þ4 TESTED DATE Oil Gradient (Tide) NEW MEXICO OIL CONSERVATION COMMISSION 580 #HUT-780. 읩 RESERVOIR PRESSURE REPORT 6683 D C P T H TEST BOMB TEST DATA 108 TEMP. SERVED (BBLS DAY)
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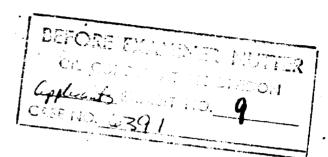
ACOMA DIL CORPORATION

812 CONTINENTAL LIFE BUILDING FORT WORTH, TEXAS 76102

November 2, 1978

C ERTIFIED MAIL

Shell Oil Company P. O. Box 1509 Midland, Texas 79701



Re: Acoma Oil Corporation
S. J. Sarkeys 1-A
N/2 NT/1 Sec. 26, T-21S, R-37-E,
Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1978, to consider the application of Acoma Oil Corporation for down hole comming-ling of production from the Blinebry, Drinkard and Wantz Abo oil zones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

SWH/arh

Offset Operators:

Atlantic Richfield Company, P. O. Box 1610, Midland, Texas 79702 Getty Oil Company, P. O. Box 240, Hobbs, New Mexico 88240 Gulf Oil Co.-U.S., P. O. Box 670, Hobbs, New Mexico 88240 Harper Oil Co., 904 Hightower Bldg., Cklahoma City, Oklahoma 73101 Mobil Oil Corporation, P. O. Box 1800, Hobbs, New Nexico 88240 Texas Pacific Oil Co., Inc., P. O. Box 4067, Midland, Texas 79701 Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

ACOMA OIL CORPORATION B12 CONTINENTAL LIFE BUILDING FORT WORTH, TEXAS 76102

November 2, 1978

CERTIFIED MAIL

Texas Pacific Oil Co., Inc. P. O. Box 4067 Midland, Texas 79701

Re: Acoma Oil Corporation
S. J. Sarkeys 1-A
N/2 NF/4 Sec. 26, T-21S, R-37-E,
Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1978, to consider the application of Acoma Oil Corporation for down hole comming-ling of production from the Blinebry, Drinkard and Wantz Abo oil sones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

Sam W. Hogan, Agen

SMH/arh

Offset Operators:

Atlantic Richfield Company, P. 0. Box 1610, Midland, Texas 79702 Getty Oil Company, P. 0. Box 240, Hobbs, New Mexico 88240 Gulf Oil Co.-U.S., P. 0. Box 670, Hobbs, New Mexico 88240 Harper Oil Co., 904 Hightower Bldg., Cklahoma City, Oklahoma 73101 Mobil Cil Corporation, P. 0. Box 1800, Hobbs, New Mexico 88240 Texas Pacific Oil Co., Inc., P. 0. Box 4067, Midland, Texas 79701 Shell Oil Company, P. 0. Box 1509, Midland, Texas 79701

PENERAL DEFICE HARM BUILDING BY, PAUL, MINN.

ACOMA DIL CORPORATION BIZ CONTINENTAL LIFE BUILDING

FORT WORTH, TEXAS 76102

November 2, 1978

CERTIFIED MAIL

Mobil Cil Corporation P. O. Box 1800 Hobbs, New Mexico 88240

Re: Acoma Oil Corporation
S. J. Sarkeys 1-A
N/2 NJ/4 Sec. 26, T-21S, R-37-E,
Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1978, to consider the application of Accma Oil Corporation for down hole commingling of production from the Blinebry, Drinkard and Wantz Abo oil zones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

Sam W. Hogan, Agen

S阳/arh

Offset Operators:

Atlantic Richfield Company, P. O. Box 1610, Midland, Texas 79702 Getty Oil Company, P. O. Box 240, Hobbs, New Mexico 88240 Gulf Oil Co. U.S., P. O. Box 670, Hobbs, New Mexico 88240 Harper Oil Co., 904 Hightower Bldg., Oklahoma City, Oklahoma 73101 Mobil Oil Corporation, P. O. Box 1800, Hobbs, New Mexico 88240 Texas Pacific Oil Co., Inc., P. O. Box 4067, Midland, Texas 79701 Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

SCHOOL OFFICE HAMM DUILDING ST. PAUL MINN.

ACOMA DIL CORPORATION

812 CONTINENTAL LIFE BUILDING FORT WORTH, TEXAS 76102

November 2, 1978

CERTIFIED MAIL

Harper Oil Company 904 Hightower Bldg. Oklahoma City, Cklahoma 73101

Re: Acoma Oil Corporation
S. J. Sarkeys 1-A
N/2 NI/4 Sec. 26, T-21S, R-37-E,
Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1973, to consider the application of Acoma Oil Corporation for down hole commingling of production from the Blinebry, Drinkard and Wantz Abo oil zones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

SWH/arh

Offset Operators:

Atlantic Richfield Company, P. O. Box 1610, Midland, Texas 79702 Getty Oil Company, P. O. Box 2h0, Hobbs, New Mexico 882h0 Gulf Oil Co.-U.S., P. O. Box 670, Hobbs, New Mexico 882h0 Harper Oil Co., 90h Hightower Bldg., Cklahoma City, Oklahoma 73101 Mobil Cil Corporation, P. O. Box 1800, Hobbs, New Nexico 882h0 Texas Pacific Oil Co., Inc., P. O. Box 1067, Midland, Texas 79701 Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

BENERAL DFFICE HANM BUILDING BY, FAUL, MINIS

ACOMA DIL CORPORATION

812 CONTINENTAL LIFE BUILDING FORT WORTH, TEXAS 76102

November 2, 1978

CERTIFIED MAIL

Gulf Oil Co. - U. S. P. O. Box 670 Hobbs, New Mexico 88240

Re: Acoma Oil Corporation
S. J. Sarkeys 1-A
N/2 NF/4 Sec. 26, T-21S, R-37-E,
Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1978, to consider the application of Acoma Oil Corporation for down hole commingling of production from the Blinebry, Drinkard and Wantz Abo oil zones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

Sam W. Hogan, Agen

SWH/arh

Offset Operators:

Atlantic Richfield Company, P. O. Box 1610, Midland, Texas 79702 Getty Oil Company, P. O. Box 240, Hobbs, New Mexico 88240 Gulf Oil Co.-U.S., P. O. Box 670, Hobbs, New Mexico 88240 Harper Oil Co., 904 Hightower Bldg., Oklahoma City, Oklahoma 73101 Mobil Oil Corporation, P. O. Box 1800, Hobbs, New Mexico 88240 Texas Pacific Oil Co., Inc., P. O. Box 1807, Midland, Texas 79701 Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

BENERAL DIFFICE MANN BUILDING BT. PAUL MINN.

ACOMA OIL CORPORATION B12 CONTINENTAL LIFE BUILDING FORT WORTH, TEXAS 76102

November 2, 1978

CERTIFIED MAIL

Getty Oil Company P. O. Box 240 Hobbs, New Mexico 88240

Re: Acoma Oil Corporation
S. J. Sarkeys 1-A
N/2 NF/4 Sec. 26, T-21S, R-37-E,
Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1978, to consider the application of Acoma Oil Corporation for down hole commingling of production from the Blinebry, Drinkard and Wantz Abo oil zones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

SWH/arh

Offset Operators:

Atlantic Richfield Company, P. O. Box 1610, Midland, Texas 79702 Getty Oil Company, P. O. Box 240, Hobbs, New Mexico 88240 Gulf Oil Co.-U.S. P. O. Box 670, Hobbs, New Mexico 88240 Harper Oil Co., 904 Hightower Bldg., Oklahoma City, Oklahoma 73101 Mobil Oil Corporation, P. O. Box 1800, Hobbs, New Mexico 88240 Texas Pacific Oil Co., Inc., P. O. Box 4067, Midland, Texas 79701 Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

PENERAL OFFICE MANN BUILDING BT. PAUL, MINN. BENTY

ACOMA OIL CORPORATION

B12 CONTINENTAL LIFE BUILDING FORT WORTH, TEXAS 761Q2

November 2, 1978

CERTIFIED MAIL

Atlantic Richfield Company P. O. Box 1610 Midland, Texas 79702

> Re: Acoma Oil Corporation S. J. Sarkeys 1-A N/2 NV/4 Sec. 26, T-21S, R-37-E, Lea County, New Mexico

Gentlemen:

Please be advised that a case has been docketed before the New Mexico Oil Conservation Commission on November 21, 1978, to consider the application of Accma Oil Corporation for down hole commingling of production from the Blinebry, Drinkard and Wantz Abo oil zones in the well bore of the S. J. Sarkeys 1-A well.

Yours very truly,

ACOMA OIL CORPORATION

Sam W. Hogan, Age

SWH/arh

Offset Operators:

Atlantic Richfield Company, P. O. Box 1610, Midland, Texas 79702 Getty Oil Company, P. O. Box 240, Hobbs, New Mexico 88240 Gulf Oil Co.-U.S., P. O. Box 670, Hobbs, New Mexico 88240 Harper Oil Co., 901 Hightower Bldg., Oklahoma City, Cklahoma 73101 Mobil Cil Corporation, P. O. Box 1800, Hobbs, New Mexico 88240 Texas Pacific Oil Co., Inc., P. O. Box 4067, Midland, Texas 79701 Shell Cil Company, P. O. Box 1509, Midland, Texas 79701

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 25 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

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

Application of Durham, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the abovestyled 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. Butter, 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 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 Cotconwood 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 commangling, 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.
- 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.
- 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.
- 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 PermoPenn 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 Cas 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 Cas 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.

Page 3 of 3 Examiner Hearing - Tuesday - November 21, 1978

Docket No. 38-78



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 Blinebry, 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.

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GENERAL OFFICE HAMM GUILDING BT. PAUL MINN. 55102

ACOMA DIL CORPORATION

812 CONTINENTAL LIFE BUILDING FERT WORTH, TEXAS 76102

October 27, 1978

NOV -8 1978

UNSLAVATION COMM.
Santa Fe

New Mexico Conservation Commission P. C. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey, Director

Case 6391

Re: Application for Downhole Commingling Acoma Oil Corporation S. J. Sarkeys Well No. 1-A Blinebry, Drinkard & Wantz Abo Pools Lea County, New Mexico

'Gentlemen:

Acoma Oil Corporation respectfully requests that our application for approval of an exception to Rule 303-A to permit commingling of production from the Blinebry, Drinkard and Wantz Abo Pools in the well bore of the subject well be set for a hearing. We would appreciate having our hearing placed on the Commission Docket for November 22, 1978.

All zones in the Sarkeys 1-A have ceased to flow, causing a decline in production. If commingling is granted, a pumping unit will be installed to produce all zones through one string of tubing.

In support of this request, the following items are being submitted in duplicate:

- 1. Plat of the Sarkeys 1-A
- 2. Data sheet showing the completion intervals, fluid characteristics and bottom hole pressure data of the zones and the value of the crude oil.
- Form C-116 Gas-Oil Ratio Tests Blinebry, Abo, Drinkard
- 4. Performance Curve Blinebry
- 5. Performance Curve Abo-Drinkard, presently commingled downhole.

New Mexico Conservation Commission October 27, 1978

Page 2

It is Acoma's opinion that this commingling will not jeopardize the future of secondary recovery operations in any of these zones. The approval of this application will permit additional recovery of hydrocarbons that would otherwise be left in place. Since there is little difference in the bottom hole pressures in these zones, crossflow problems are not anticipated.

Production tests as shown on the C-116 reports indicate production from the commingled zones will not exceed the 50 barrels of oil per day limit set by Rule 303 (c)(b). Water production will be within the limits set by Rule 303 (c)(d).

It is requested that the daily maximum limit on gas that may be produced from the commingled zones be set at the top limit for casinghead gas of the Abo Pool.

Allocation of production will be divided among zones based on production test and by the subtraction method after commingling the three zones, as shown on the Data Sheet.

This lease is a fee property.

Yours very truly,

ACOMA OIL CORPORATION

Sam W. Hogan

SWH/arh Enclosures ACOMA 01-A S.J. SARKEYS

ACOMA OIL CORPORATION

S.J.SARKEYS LEASE

N ½ NE ¼ Sec. 26,T21S, R37E

Lea County, New Mexico

DATA SHEET Acoma Oil Corporation S. J. Sarkey 1-A

| Blinebry | Producing Interval | 5733-5811 |
|------------------|--------------------|-----------|
| Drinkard | Producing Interval | 6465-6575 |
| Abo | Producing Interval | 6867-7218 |
| Fluid Gravities | | |
| Blinebry | | 38.6 |
| Drinkard | | 38.2 |
| Abo | | 38.7 |
| Average gravity | commingled oil | 38.5 |
| Value per barrel | ., average | \$14.80 |

All zones are commingled above ground by pipeline company.

Abo and Drinkard zones are commingled downhole at present time by Order No. R-4248, Case No. 4645. No incompatibility problems have been encountered.

Proposed oil allotment would be as follows:

| Blinebry | Oil | 58% | Gas | Ö |
|----------|-----|-----|-----|----------|
| Drinkard | Oil | 17% | Gas | 47% |
| Abo | Oil | 25% | Gas | ⊱ 53% |

NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

Calib Present lates

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NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

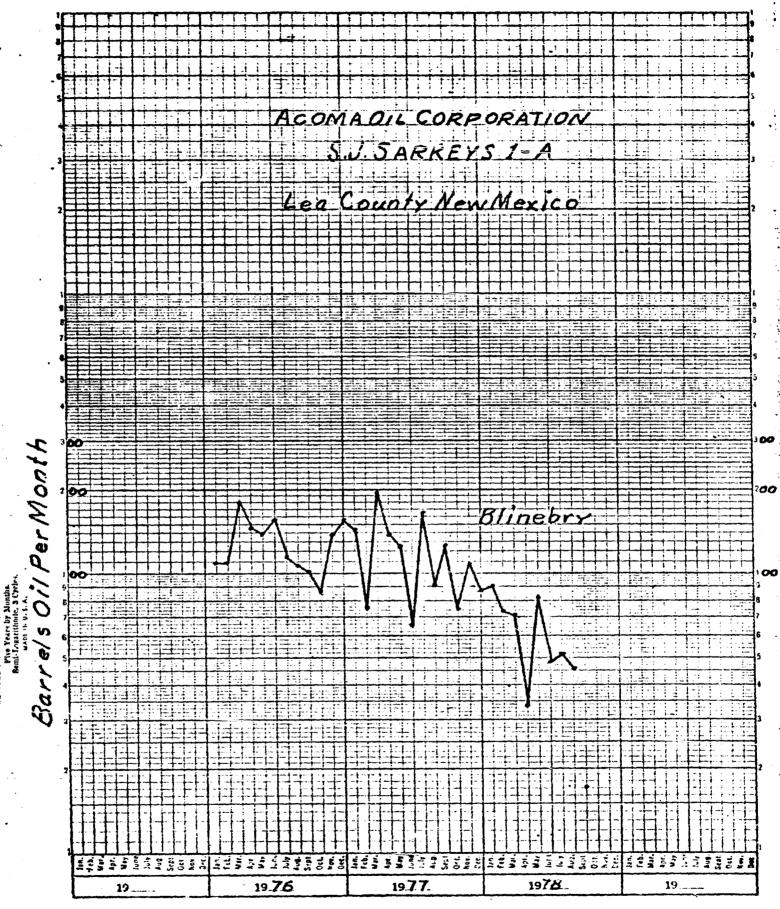
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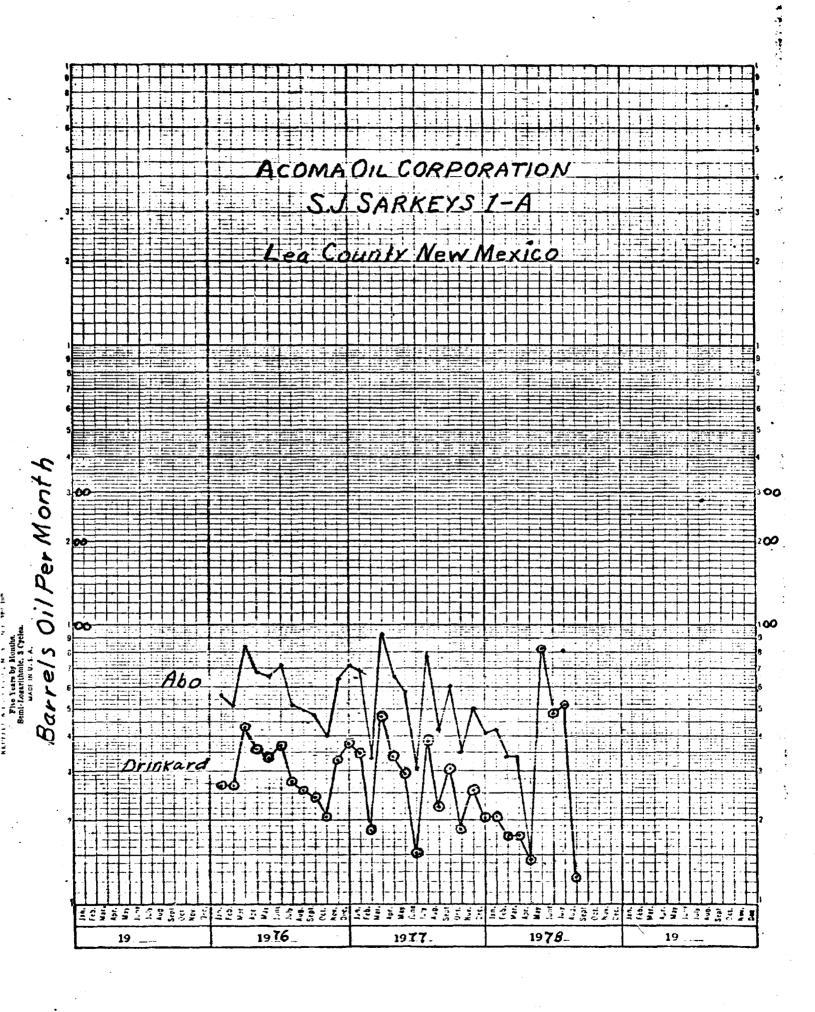
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| I hereby certify that the above information is true and complete to the best of my knowledge and belief. | | | | | 2580 | 7200 | GAS - C:L | | | |
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NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

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| No well will be sesigned an ellowable greater than the amount of oil produced on the official test. During gas-pil ratio test, each well sixtl be produced at a rate not exceeding the top unit allowable for the pool in which well is leaded by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased elicuspies when sutherized by the Cimenission. Cas volumes must be reported in MCF measured at a pressure base of 15,025 pais and a temperature of 50° F. Speaklis gravity base will be 0.60. Report casing pressure in lieu of tubing pressure for any well producing through coming. Mail deliginal and one copy of this report to the district office of the New Maxico Oli Conservation Commission in accordance with the 381 and appropriate past rules. | | SI O. SARKEYS A | LEASE NAME | ACOMA OU- CRACKATION SIZ CONTINENTAL CIFE BLOG |
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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:

| 1 | CASE NO. 6391 |
|------------|---|
| | Order No. <u>R-5887</u> |
| <i>)</i> . | APPLICATION OF ACOMA OIL CORPORATION |
| <u> </u> | FOR DOWNHOLE COMMINGLING, LEA |
| , | 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 day of November , 19 78 , the |
| | Division Director, having considered the testimony, the record, |
| į | 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 |
| ļ | subject matter thereof. |
| | (2) That the applicant, Acoma Oil Corporation , is |
| | the owner and operator of the Sarkeys Well No. 1 |
| | located in Unit A of Section 26 , Township 21 South |
| | Range 37 East , NMPM, Lea County, New Mexico. |
| | (3) That the applicant seeks authority to commingle |
| Bli | nebry, Wantz-Abo and Drinkard production |
| | within the wellbore of the above-described well. |

| comply some the Blinebry zone, the subject well is |
|--|
| capable of low marginal production only. |
| (.5) That from the Wantz-Abo zone, the |
| subject well is capable of low marginal production only. |
| (9 That from the Drinkana |
| subject well is capable of low marginal production only. |
| (7) That the proposed commingling may result in the recover |
| of additional hydrocarbons from each of the subject pools, there |
| preventing waste, and will not violate correlative rights. |
| (%) That the reservoir characteristics of each of the |
| subject zones are such that underground waste would not be cause |
| by the proposed commingling provided that the well is not shut-i |
| for an extended period. |
| |
| 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 Hobbs |
| hut-in for 7 consecutive days. |
| w . |
| (F) That in order to allocate the commingled production |
| o each of the commingled zones in the subject well, 58 |
| ercent of the commingled oil production should be production should be |
| 20ne 348% /7 |
| Wantz-Abo |
| production should be allocated to the |
| and 53 percent of the goods duck |
| of the allocate the commingled production to |
| ch of the semmingled zones in the wells, applicant should |
| onsult when the supervisor of the Hobbs district office |
| E the Division and decemment allocation formula for such af- |
| production sensor |
| (10), That Division Order (10. R-4248, which reviously anthorized the assumingling of rinkard and wants. Abo production in |
| Werensly authorized the comminging of |
| subject week, plants be superseded. |
| musies nece; parette ne superseded. |
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IT IS THEREFORE ORDERED:

| (1) That the applicant, Acoma Oil Corporation , is |
|--|
| hereby authorized to commingle Blinebry, Wantz-Abo and |
| Drinkard production within the wellbore of |
| Sarkeys Well No. 1 , located in Unit A of |
| Section 26 , Township 21 South , Range 37 East , |
| NMPM, Lea County, New Mexico. |
| (2) mat the appricant shall sensult with the supervisor |
| of the Hobbs district office of the Division and |
| determine an allocation formula for the uniocation of production |
| to each zone in each of the subject wells. |
| (ALTERNATE) |
| (2) That 58 percent of the commingled oil |
| (2) That <u>58</u> percent of the commingled <u>Oil</u> and none of the gas production production shall be allocated to the <u>Blinebry</u> |
| zone and, 17 percent of the commingled oil and 47 percent of the personalism |
| production shall be allocated to the Wantz-Abo |
| zone, and 25 percent of the commingled of production shall be allocated to the Drinkard zone. |
| production shall be allocated to the Drinkard zone. |
| (3) That the operator of the subject well shall immediately |
| notify the Division's Hobbs district office any time the |
| well has been shut-in for 7 consecutive days and shall concurrent |
| 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. |
| A & D vale |
| (4) That Devision Woker 10. K. 4248 |
| (4) That Division Order Do. R. 4248 is hereby superseled. |

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COMENNA' EDDA CORRIA' NER REXICO
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