

CASE 6441: CAULKINS OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARRIBA COUNTY,
NEW MEXICO

pany

CASE NO.

64FH

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company
for downhole commingling, Rio Arriba
County, New Mexico.

CASE
6441

BEFORE: Richard L. Stamets

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 87503

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

Nye Reporting Service, Inc.
Certified Shorthand Reporters
621 Old Santa Fe Trail - Suite 7
Santa Fe, New Mexico 87501

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1 MR. STAMETS: Call the next case, 6441.

2 MS. TESCHENDORF: Case 6441, Application of
3 Caulkins Oil Company for downhole commingling, Rio Arriba
4 County, New Mexico.

5 MR. KELLAHIN: I'm Tom Kellahin of Kellahin
6 and Kellahin, Santa Fe, New Mexico, appearing on behalf of
7 Caulkins Oil Company. I'd like the record to reflect that
8 Mr. Charles Verquer is the same witness, that he's under oath
9 and has previously qualified as an expert witness.

10 MR. STAMETS: The record will so show.

11

12 CHARLES VERQUER

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

15

16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Mr. Verquer, would you identify Exhibit Number
19 One and locate the well in question?

20 A This is an ownership map. The shaded area is
21 the Caulkins property, Rio Arriba County, New Mexico. The
22 Well No. 12 identified by the red arrow in Section 35, 27
23 north 6 west. The prefix letters are PM which designates
24 Pictured Cliffs-Mesaverde. We propose to commingle this.

25 Q What is the well name for this well?

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Santa Fe, New Mexico 87501

1 A Twelve.

2 Q The Breech F Well No. 12 in Unit A of Section
3 35?

4 A Yes, sir.

5 Q Is this a currently completed well?

6 A Yes, sir. It is.

7 Q How is it currently completed?

8 A It is a conventional dual Pictured Cliffs-
9 Mesaverde.

10 Q What do you propose to do?

11 A I propose to commingle the Pictured Cliffs and
12 Mesaverde in the wellbore. The Pictured Cliffs is a very
13 sorry well and we have been unable to keep it producing at
14 a regular rate, especially in 1978, and we would propose to
15 commingle them so that we could use the gas in both zones
16 and keep the well clean and just thereby producing a little
17 bit more.

18 Q Let's look at Exhibit Number Two and have you
19 identify that.

20 A That is a plat of the well location and the
21 direct offset well.

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23 that?

24 A Exhibit Number Three is the pressure and gas
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1 production for a Mesaverde zone, 1958 through 1977. It also
2 has the production split that I would recommend for the Pic-
3 tured Cliffs and Mesaverde.

4 Q Are the Pictured Cliffs and Mesaverde ownerships
5 in this well common?

6 A They are.

7 Q And the proposed method of allocating produc-
8 tion between the two zones as indicated on that exhibit is
9 simply a mathematical computation based upon past production?

10 A That is correct.

11 Q Let's look at Exhibit Number Four and Four-A.

12 A Those are the decline curves for Pictured
13 Cliffs and Mesaverde zones, pressures and productions. The
14 solid line being the pressure and the hachured marks the gas.
15 The dot is the oil of the Mesaverde.

16 Q Would you explain for us, Mr. Verquer, what is
17 the explanation for the rather erratic nature of the decline
18 curve?

19 A Mostly that is created by -- part of it may be
20 a production -- being able to sell more gas in, say, 1970 on,
21 but most of it is fluid accumulation in the well. It just
22 sits there and bubbles through that fluids without enough
23 gas to carry it to the surface.

24 Q If, then, the downhole commingling is approved,
25 that kind of erratic production ought to be eliminated?

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1 A It should be eliminated. Yes, sir.

2 Q In your opinion, the downhole commingling is
3 the most effective and efficient method for production in this
4 well?

5 A Yes.

6 Q Would you refer to Exhibit Number Five and
7 identify it?

8 A That's the mechanics of how my proposed com-
9 mingling would be completed. Pull the tubing from the Pic-
10 tured Cliffs and salvage it. Well, I'm actually going to
11 run 1 1/4 to produce the well if this commingling is approved
12 because the 2 3/8 is just too large for the amount of gas
13 that the well will produce.

14 Q Were Exhibits One through Five prepared by
15 you?

16 A They were.

17 Q In your opinion, will approval of this appli-
18 cation prevent waste and protect correlative rights?

19 A It will.

20 MR. KELLAHIN: We move introduction of Exhibits
21 One through Five.


22 MR. STAMETS: These Exhibits will be admitted.
23 Any questions of the witness? He may be excused. Anything
24 further in this case? It will be taken under advisement.

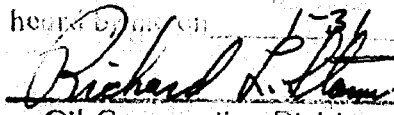
25 (Hearing Concluded.)

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Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, STEFANIE XANTHULL, a court reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that the 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.


STEFANIE XANTHULL, C.S.R.

I do hereby certify that the foregoing is
a correct and true transcript of the hearing in
the hearing on the application of 6446
heard by me on 1-31-79.

Richard L. Thomas, Examiner
Oil Conservation Division

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Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
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31 January 1979

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I N D E X

PAGE

CHARLES VERQUER

Direct Examination by Mr. Kellahin

3

E X H I B I T S

Exhibit Number One, Ownership Map

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Exhibit Number Two, Plat of Well Location

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Exhibit Number Three, Pictured Cliffs Pressure &
Gas Production

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Exhibits Number Four and Four-A, Decline Curves for
Pictured Cliffs and Mesaverde

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Exhibit Number Five, Mechanics of Proposed Comminglin

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2 Q The Breech F Well No. 12 in Unit A of Section
3 35?

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STEFANIE XANTHULL, C.S.R.

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a complete and correct transcript of the hearing in
the above captioned case, No. 6446
heard on 1-31-79.
Richard H. Starn, Examiner
Oil Conservation Division

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Certified Shorthand Reporters
621 Old Santa Fe Trail - Suite 7
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

February 21, 1979

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

Mr. Tom Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6441
ORDER NO. R-5925

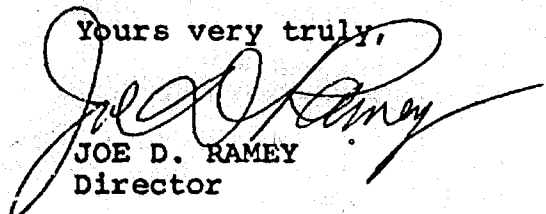
Applicant:

Caulkins Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC x

Other _____

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. 6441
Order No. R-5925

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of February, 1979, 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, Caulkins Oil Company, is the owner and operator of the Breech F Well No. 12, located in Unit A of Section 35, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Pictured Cliffs and Mesaverde production within the wellbore of the above-described well.
- (4) That from the Pictured Cliffs zone, the subject well is capable of low marginal production only.
- (5) That from the Mesaverde 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. 6441

Order No. R-5925

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

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

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 25 percent of the commingled gas production should be allocated to the Pictured Cliffs zone, and 75 percent of the commingled gas production and all of the condensate production to the Mesaverde zone.

(10) That Division Administrative Order No. DC-697, which authorized the dual completion of the subject well, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs and Mesaverde production within the wellbore of the Breech F Well No. 12, located in Unit A of Section 35, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That 25 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone and 75 percent of the commingled gas production and all of the condensate production shall be allocated to the Mesaverde zone.

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

(4) That Division Administrative Order No. DC-697 is hereby superseded.

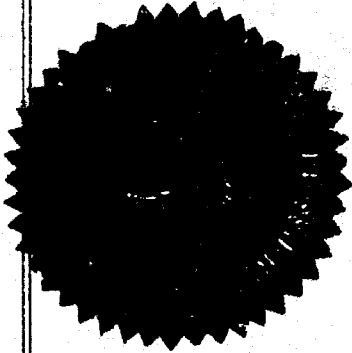
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 6441
Order No. R-5925

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY
Director

fa/

Breech F 12

Case No.

Proposal

Commingle Pictured Cliffs and Mesa Verde Zones.

Both zones are classed marginal.

Ownership and all working interests are common for each well.

Exhibit # 1

Section map showing all Caulkins wells and offset well.

Exhibit # 2

Plat showing well location and direct offset wells in Section's 26 and 35 west half of 25 and west half 36 27N 6W and Section 2 and west half Section 1 26N 6W, Rio Arriba County, New Mexico.

Exhibit # 3

Tabulation of all shut in pressures, Cumulative yearly gas and oil production, 1958 thur 1977.

Proposed percentage breakdown for each zone.

Exhibit # 4

Pressure and production curves for Pictured Cliffs Zone from tabulations exhibit # 3.

Exhibit # 4 A

Pressure and Production curves for Mesa Verde zone from tabulation exhibit # 3.

Exhibit # 5

Mechanic's

Breech F 12
Case No.

Proposal

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Pressure and production curves for Pictured Cliffs Zone from tabulations exhibit # 3.

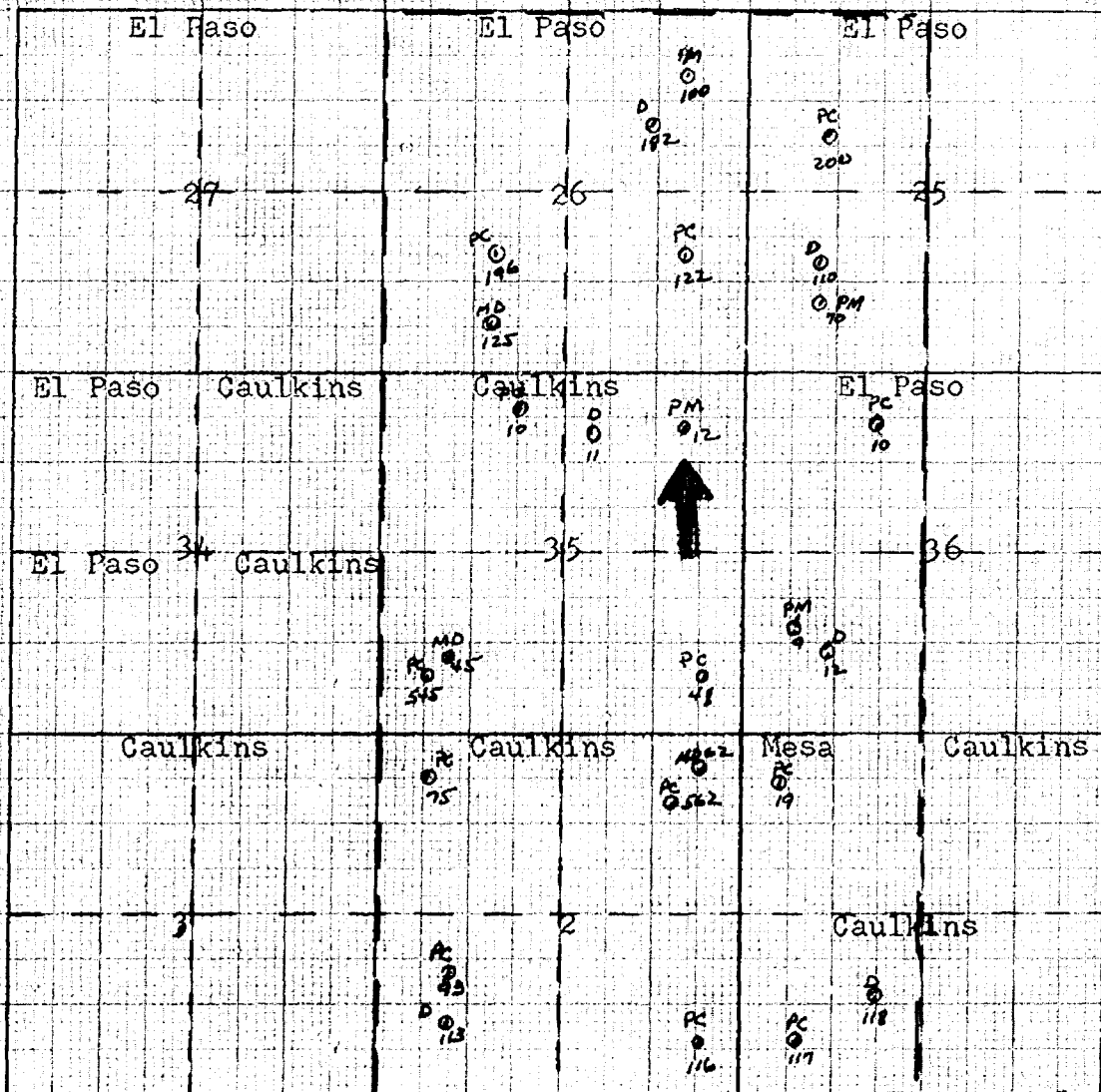
Exhibit # 4 A

Pressure and Production curves for Mesa Verde zone from tabulation exhibit # 3.

Exhibit # 5

Mechanic's

CAULKINS OIL COMPANY
 Breech F. 12
 Unit A Section 35 27N 6W
 Rio Arriba County, New Mexico



pm Pictured Cliffs - Mesa Verde
 D Dakota
 pc Pictured Cliffs
 md Mesa Verde - Dakota

BEFORE THE UNITED STATES
 OIL COMMISSION
 Case No. 6441-2
 Submitted by
 Hearing Date 1-31-77

46 1473

10 X 10 TO 11 INCH • 7 1/2 X 10 INCHES
 K&E KUPPEL & ESSER CO. MADE IN U.S.A.

Breach F 12
Unit A Section 35 27N 6W
Yearly Production and Pressures

3
6441
Case No. 1-31-79
Recording Date

Pictured Cliffs Zone			Mesa Verde Zone		
Date	Pressure	Gas Production	Pressure	Gas Production	Oil Production
1958	852	19,867	662	43,597	0
1959	702	61,270	831	197,968	919
1960	638	53,847	731	138,223	1092
1961	590	37,355	685	93,534	467
1962	607	30,129	717	38,089	405
1963	572	24,749	707	67,057	255
1964	592	16,069	684	80,812	317
1965	598	15,494	655	67,125	337
1966	592	16,626	798	58,394	238
1967	624	7,733	749	39,505	290
1968	590	13,062	655	40,510	172
1969		5,086	667	16,353	67
1970		10,038	642	15,633	48
1971	606	16,983	587	27,451	121
1972	464	28,030	642	92,437	386
1973	465	24,886	533	85,622	279
1974	342	25,783	463	98,781	234
1975		21,073		79,917	175
1976	330	17,114	431	70,678	124
1977		19,817		74,091	32
Cum. Total		465,011		1,425,777	5,958

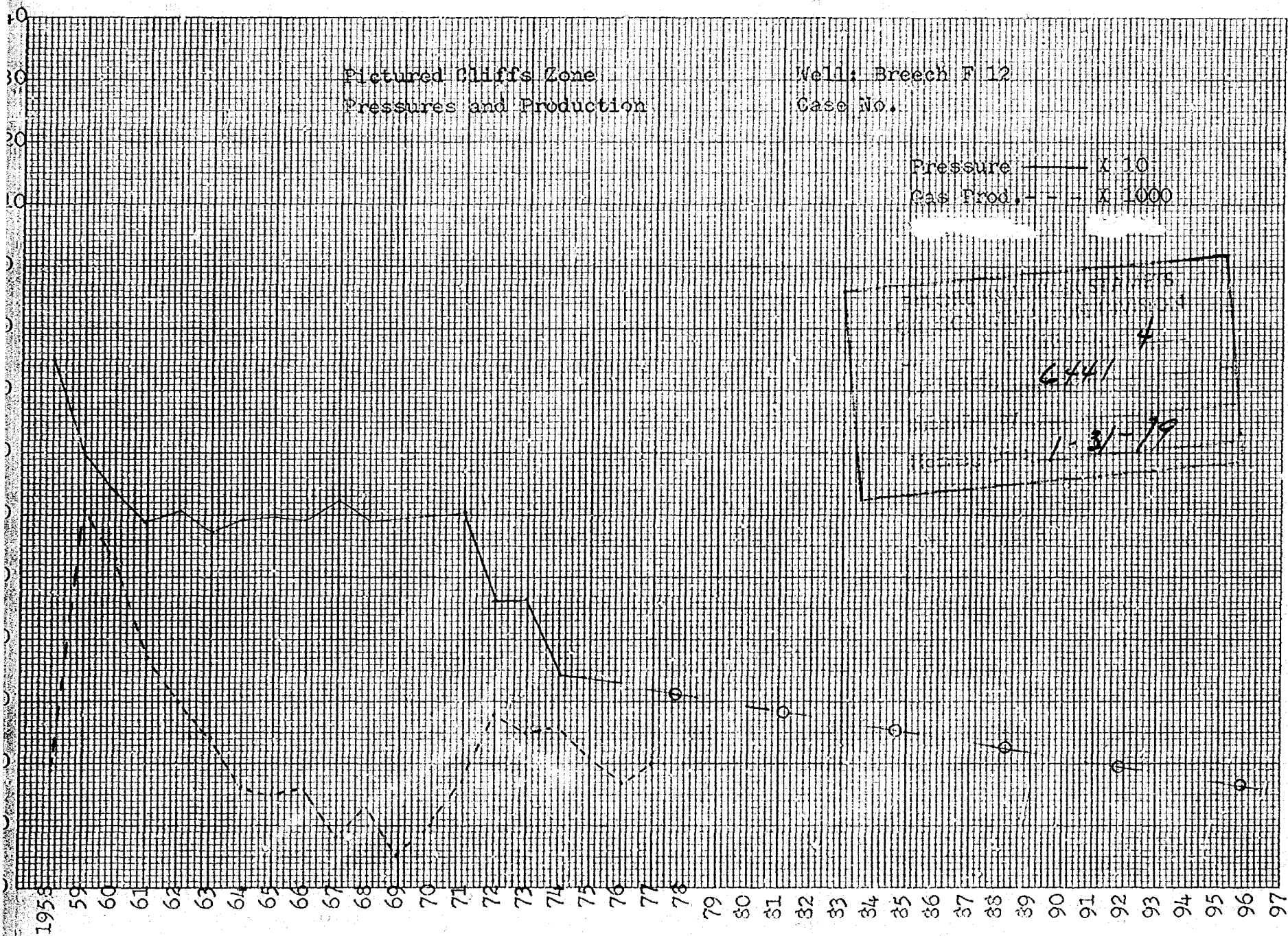
Gas production 75% Mesa Verde and 25% Pictured Cliffs
Oil Production 100% Mesa Verde

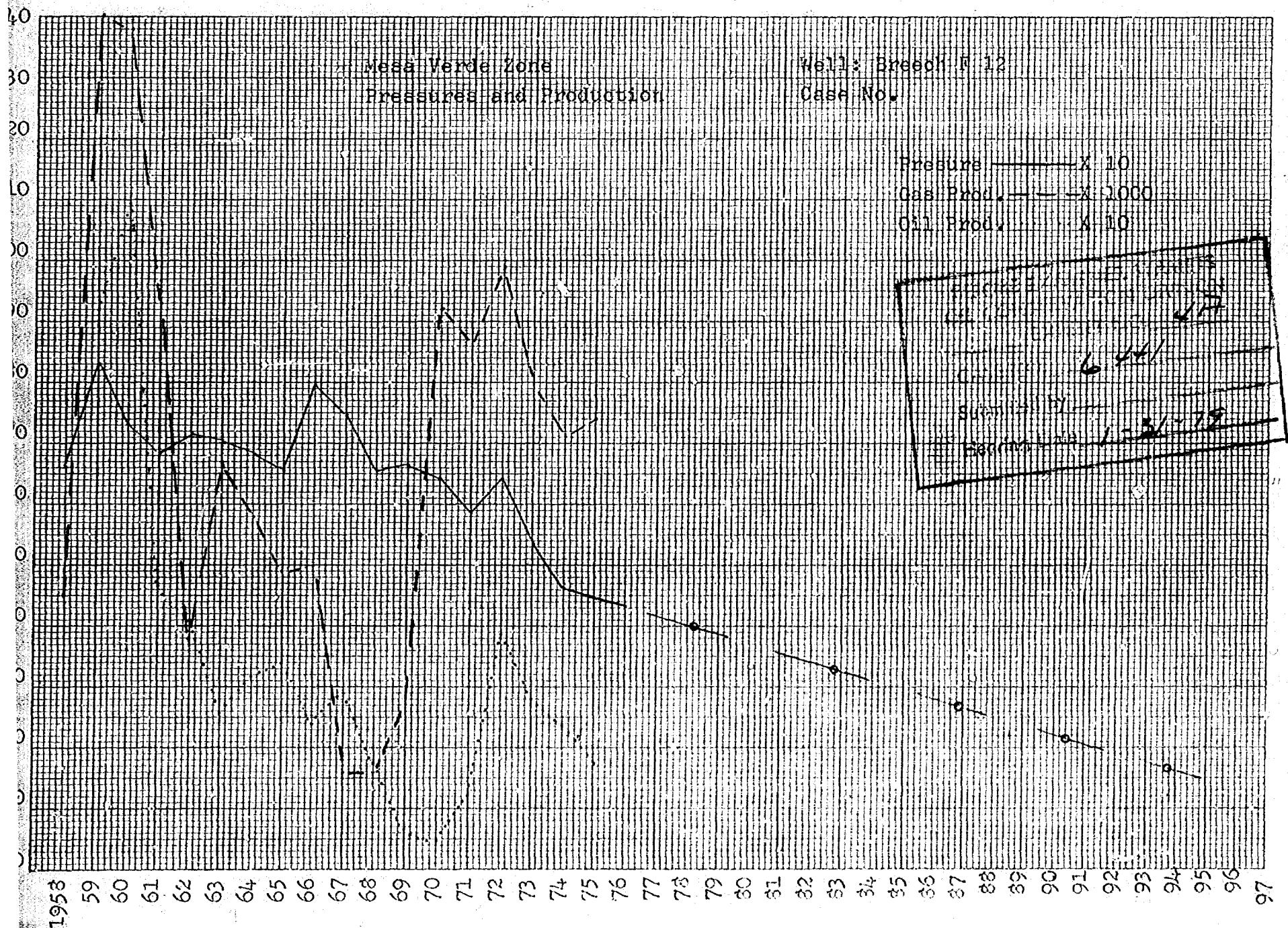
Pictured Cliffs Zone
Pressures and Production

Well: Breech F 12
Case No.

Pressure ——— X 10
Gas Prod. --- X 1000

6441
1-31-79





CAULKINS OIL COMPANY
Breech F 12
Case No.

Exhibit # 5

Mechanic's

Pull 1 $\frac{1}{4}$ " tubing now in well for Pictured Cliffs Production.

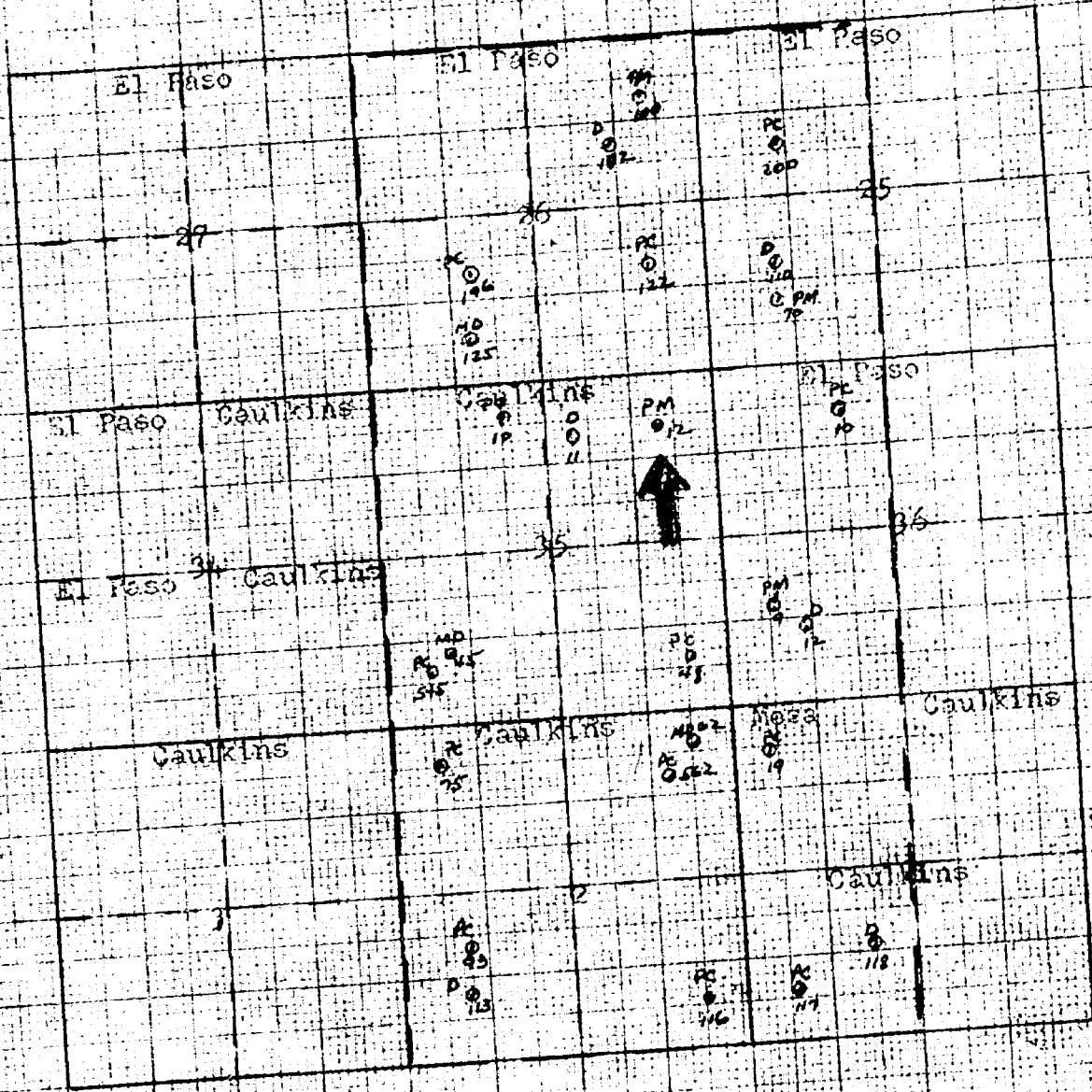
Pull 2 $\frac{3}{8}$ " tubing and Seals assy. now in well for Mesa Verde Production.

Run 1 $\frac{1}{4}$ " tubing to Mesa Verde Perforation for Pictured Cliffs-Mesa Verde Commingled Productions.

BEFORE JUDGE K. STAMETS
CIL COURT REPORTER
EXHIBIT NO. <u>5</u>
6441
Submitted by _____
Hearing Date <u>1-31-79</u>

CAULKINS OIL COMPANY

Tract P. 12
Unit A Section 35, 27, 6N
Rio Arriba County, New Mexico



Plotted Cliffs - Mesa Verde
Dakota
Plotted Cliffs
Mesa Verde - Dakota

LM41
Est 2mm

46 1473

K&E 10 X 10 TO 1/2 INCH • 7 1/2 X 10 INCH
KEUFFEL & ESSER CO. VALING A

Breech F 12
Unit A Section 35 27N 6W
Yearly Production and Pressures

Case No. 0441
EX 3

Pictured Cliffs Zone

Mesa Verde Zone

Date	Pressure	Gas Production	Pressure	Gas Production	Oil Production
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1959	702	61,270	831	197,968	919
1960	638	53,847	731	138,223	1092
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1964	592	16,069	684	80,812	317
1965	598	15,494	655	67,125	337
1966	592	16,626	798	58,394	238
1967	624	7,733	749	39,505	290
1968	590	13,062	655	40,510	172
1969		5,086	667	16,353	67
1970		10,038	642	15,633	48
1971	606	16,983	587	27,451	121
1972	464	28,030	642	92,437	386
1973	465	24,886	533	85,622	279
1974	342	25,783	463	98,781	234
1975		21,073		79,917	175
1976	330	17,114	431	70,678	124
1977		19,817		74,091	32
Cum. Total		465,011		1,425,777	5,958

Gas production 75% Mesa Verde and 25% Pictured Cliffs

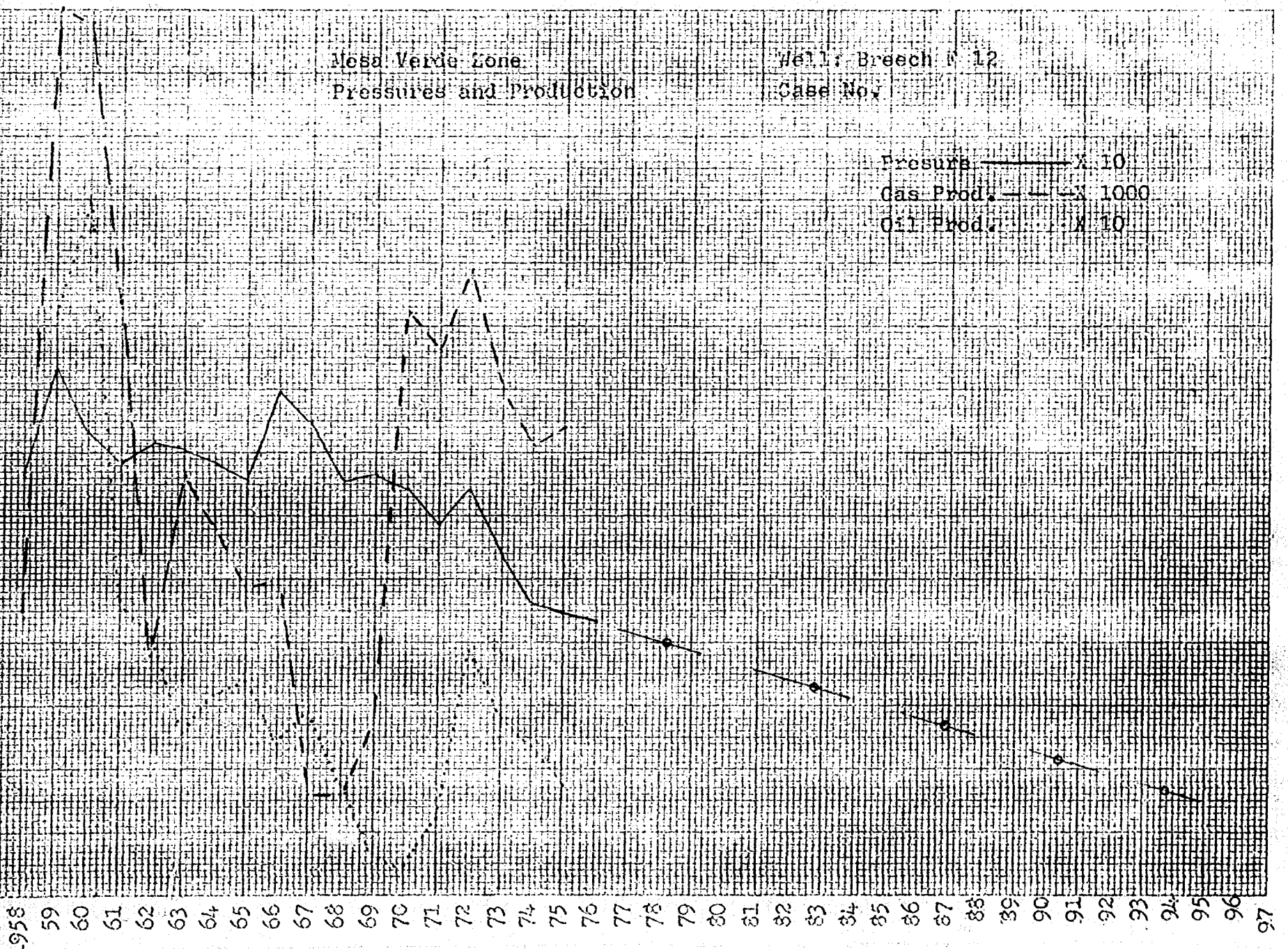
Oil Production 100% Mesa Verde

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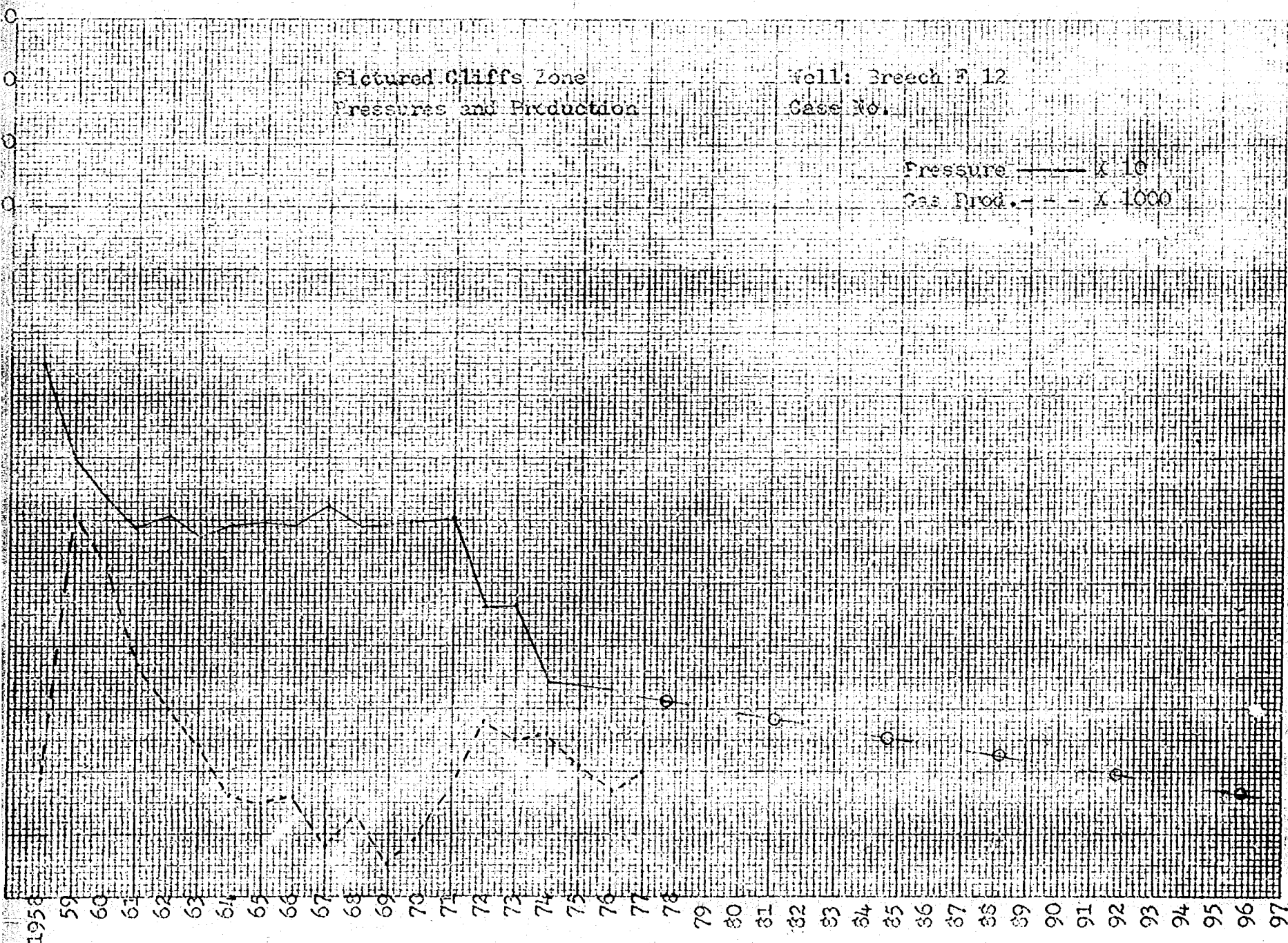
Mesa Verde Zone
Pressures and Production

Well: Breech # 12
Case No.

Pressure ——— X 10
Gas Prod. ——— X 1000
Oil Prod. ——— X 10



22-1-11



CAULKINS OIL COMPANY

Breech F 12

Case No. 6441

61 15

Exhibit # 5

Mechanic's

Pull $1\frac{1}{4}$ " tubing now in well for Pictured Cliffs Production.

Pull $2\frac{3}{8}$ " tubing and Seals assy. now in well for Mesa Verde Production.

Run $1\frac{1}{4}$ " tubing to Mesa Verde Perforation for Pictured Cliffs-Mesa Verde Commingled Productions.

Dockets Nos. 5-79 and 6-79 are tentatively set for hearing on February 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 31, 1979

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

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

- CASE 6422: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6415: (Continued from January 17, 1979, Examiner Hearing)
- Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 South, Range 36 East, Lea 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 6419: (Continued from January 17, 1979, Examiner Hearing)
- Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.
- CASE 6423: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT Well No. 9 located 650 feet from the South and West lines of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations, the S/2 of said Section 13 to be dedicated to the well.
- CASE 6424: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.
- CASE 6425: Application of T. B. Knox Estate for exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit its Lucia Brookes Well No. 2 located in Unit K of Section 14, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed in the following manner: set surface casing and circulate cement; eliminate salt protection string; and do not circulate cement on production casing.
- CASE 6426: Application of C. W. Trainer for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and West lines of Section 24, Township 20 South, Range 32 East, South Salt Lake-Morrow Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.
- CASE 6427: Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caribou/Kirtland Well No. 1 to be located 1214 feet from the North line and 650 feet from the East line of Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Pool, San Juan County, New Mexico, the E/2 NE/4 to be dedicated to the well.
- CASE 6428: Application of Mobil Oil Corporation for the amendment of Order No. R-5801, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5801 to delete the requirements for lined tubing in injection wells in the North Vacuum Abo East Pressure Maintenance Project, Lea County, New Mexico.

- CASE 6429: Application of Zia Energy, Inc., for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Elliott State Well No. 2 to be located in Unit B of Section 34, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6430: Application of Phoenix Resources Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Buckhorn Canyon Unit Area comprising 23,000 acres, more or less, of Federal and state lands in Township 19 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 6431: Application of HNG Oil 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 N/2 of Section 35, Township 23 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6432: Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the NE/4 NW/4 and the SE/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to form two 40-acre units, each 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 wells 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 wells and a charge for risk involved in drilling said wells.
- CASE 6433: Application of Cities Service Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the S/2 of Section 8, Township 23 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6434: Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6435: Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6436: Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6437: Application of Curtis Little for approval of infill drilling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well to be located 1085 feet from the South line and 285 feet from the West line of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well. Applicant further seeks rescission of Order No. R-4556 and approval of a 344.36-acre non-standard gas proration unit comprising all of Section 11, and Lot 4 and the SW/4 SW/4 of Section 12 for said well.
- CASE 6438: Application of Caulkins Oil Company for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech Well No. 812 located in Unit N of Section 18, Township 26 North, Range 6 West, and its Breech Well No. 224-A located in Unit B of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, to produce gas from the Dakota formation through a separate string of tubing and to commingle Chacra and Mesaverde production in the wellbores of said wells.

- CASE 6439: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Breech A Well No. 229 located in Unit D of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6440: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech F Well No. 8 located in Unit A of Section 34, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6441: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Mesaverde production in the wellbore of its Breech F Well No. 12 located in Unit A of Section 35, Township 27 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6442: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech E Well No. 109 located in Unit M of Section 3, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6443: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Breech B Well No. 220-R located in Unit B of Section 14, Township 26 North, Range 7 West, to produce gas from the Dakota formation through a separate string of tubing and to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of said well.
- CASE 6444: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Mesaverde, Chacra and Greenhorn production in the wellbore of its Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

Case 6441

A P P L I C A T I O N

Comes now Caulkins Oil Company and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of downhole commingling or production in the wellbore in its Well No. 12, located in Unit A, Section 35, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. The subject well is now completed as a Pictured Cliffs-Mesaverde dual completion. Applicant proposes to commingle the production from these two zones in order to obtain more efficient production.

2. Approval of this application is in the interests of conservation and the prevention of waste, and will result in the production of gas and liquid hydrocarbons that would not otherwise be produced.

WHEREFORE Applicant prays that this application be set for hearing at the last examiner hearing in January, 1979, and that after notice and hearing as required by law, the Division enter its order granting approval of downhole

commingling as requested.

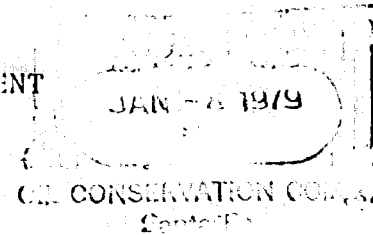
Respectfully submitted,

CAULKINS OIL COMPANY

By Jason Kellahin
Kellahin & Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
APPROVAL OF DOWNHOLE COMMINGLING,
RIO ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

Case 6441

Comes now Caulkins Oil Company and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of downhole commingling or production in the wellbore in its Well No. 12, located in Unit A, Section 35, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. The subject well is now completed as a Pictured Cliffs-Mesaverde dual completion. Applicant proposes to commingle the production from these two zones in order to obtain more efficient production.
2. Approval of this application is in the interests of conservation and the prevention of waste, and will result in the production of gas and liquid hydrocarbons that would not otherwise be produced.

WHEREFORE Applicant prays that this application be set for hearing at the last examiner hearing in January, 1979, and that after notice and hearing as required by law, the Division enter its order granting approval of downhole

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Respectfully submitted,

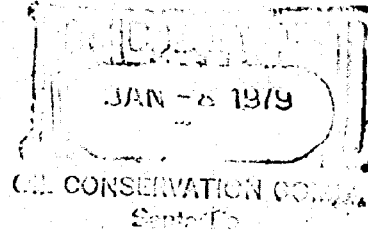
CAULKINS OIL COMPANY

By Jason Kellahin
Kellahin & Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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



A P P L I C A T I O N

Case 6441

Comes now Caulkins Oil Company and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of downhole commingling or production in the wellbore in its Well No. 12, located in Unit A, Section 35, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. The subject well is now completed as a Pictured Cliffs-Mesaverde dual completion. Applicant proposes to commingle the production from these two zones in order to obtain more efficient production.

2. Approval of this application is in the interests of conservation and the prevention of waste, and will result in the production of gas and liquid hydrocarbons that would not otherwise be produced.

WHEREFORE Applicant prays that this application be set for hearing at the last examiner hearing in January, 1979, and that after notice and hearing as required by law, the Division enter its order granting approval of downhole

commingling as requested.

Respectfully submitted,
CAULKINS OIL COMPANY

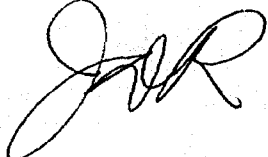
By Jason Kellahin
Kellahin & Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

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. 6441

Order No. A-5925

APPLICATION OF CAULKINS OIL COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.



ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 31
19 79, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of February, 1979, 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, Caulkins Oil Company, is
the owner and operator of the Breech F Well No. 12,
located in Unit A of Section 35, Township 27 North,
Range 6 West, NMPM, Rio Arriba County, New Mexico.

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

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

(5) That from the Mesaverde 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 Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 25 percent of the commingled gas production should be allocated to the Pictured Cliffs zone, and 75 percent of the commingled gas and all of the condensate production to the Mesaverde 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 Aztec district office of the Division and determine an allocation formula for each of the production zones.

(10) That Division Administrative Order No. DC 697, which authorized the dual completion of the subject well, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs and Mesaverde production within the wellbore of the Breech F Well No. 12, located in Unit A of Section 35, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

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

~~(ALTERNATE)~~

(2) That 25 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone and 75 percent of the commingled gas and all of the condensate production shall be allocated to the Mesaverde zone.

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

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

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

(4) That Division Administrative Order No DC-697 is hereby superseded.