

CASE 6443: CAULKINS OIL COMPANY FOR A
DUAL COMPLETION AND DOWNHOLE COMINGLING,
RIO ARriba COUNTY, NEW MEXICO

CASE NO.

6443

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

Memo

10/31/79

From

A. R. KENDRICK
Supervisor

case file

To Ernie Padilla
Charles Verquer

Case No. 6443

I misread The order for this well when I
sent out the poop last week.

Please replace the letter in the file with this.

AI

al

NEW MEXICO OIL CONSERVATION COMMISSION - AZTEC, NEW MEXICO



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

October 31, 1979

Mr. Charles Verquer
Caulkins Oil Company
P. O. Box 780
Farmington, New Mexico 87401

Re: Order R-5926
Downhole Commingling
Caulkins Oil Company
Breach B #22UR
B-14-26N-7W

Dear Mr. Verquer:

We agree with your request of October 23, 1979, for a
production split as follows for the subject well:

Pictured Cliffs	21% of all gas
Chacra	32% of all gas
Mesaverde	47% of all gas, 100% of all oil produced

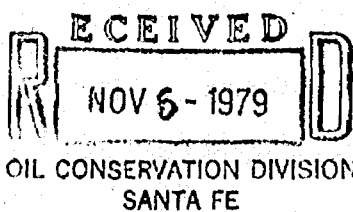
If there are questions, please contact us.

Yours very truly,

A. R. Kendrick
A. R. Kendrick
District Supervisor

xc: Oil Conservation Division, Santa Fe
Gas Company of New Mexico
Shell Pipeline Corporation

AR:no



CAULKINS OIL CO.

Post Office Box 780
Farmington, New Mexico 87401
October 23, 1979

Mr. A. R. Kendrick
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico

Re: Downhole Commingled Production
Caulkins Oil Company
Breach B 220-R
Unit B 14-26N-7W

Dear Mr. Kendrick:

Following are results of tests taken on Pictured Cliffs, Chacra and Mesa Verde Zones.

After all zones were fractured above zones were tested in following manner:

7" Packer was run in hole and set @ 2650'. Pictured Cliffs Zone was swabbed in thru 2" tubing. After well had flowed 6 hours rate of flow was 144 MCFPD. Pictured Cliffs Zone was then shut in for 6 hours. Shut In Pressure 550#. Bridge Plug below Pictured Cliffs removed and packer set above perforation and then Chacra Zone was swabbed in. Rate of flow after 6 hours 214 MCFPD. Shut In Pressure after 6 hours 705#. Bridge Plug below Chacra perforations drilled out then packer set above perforations and Mesa Verde Zone swabbed in. Rate of flow after 6 hours 314 MCFPD. Shut In Pressure after 6 hours 680#. Only Mesa Verde Zone had any show of oil.

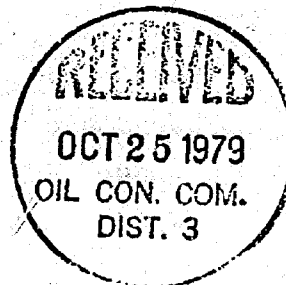
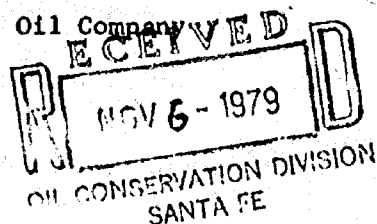
From results of above tests we recommend following breakdown for various Zones.

Pictured Cliffs	21% of all Gas.
Chacra	32% of all Gas.
Mesa Verde	47% of all Gas and all Oil produced.

Yours very truly,

Charles E. Verquer

Charles Verquer
Supt., Caulkins Oil Company



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) CASE
a dual completion and downhole commingling) 6443
Rio Arriba County, New Mexico.)

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

I N D E X

CHARLES VERQUER

Direct Examination by Mr. Kellahin

3

Examination by Mr. Stamets

8

E X H I B I T S

Exhibit Number One, Ownership Map

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Exhibit Number Two, Plat of Proposed Location

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Exhibit Number Three, Pictured Cliffs-Chacra &
Mesaverde Pressure Tabulations

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Exhibit Number Four, Average Monthly Production
Tabulations for Pictured Cliffs-Chacra &
Mesaverde Zones

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Exhibit Number Five, Well Record for Commingled
Zone - 1978

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Exhibit Number Six, Diagram of Proposed Well

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Certified Shorthand Reporters

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Santa Fe, New Mexico 87501

1 MR. STAMETS: We will call the next case, 6443.

2 MS. TESCHENDORF: Case 6443, Application of
3 Caulkins Oil Company for a dual completion and downhole com-
4 mingling, Rio Arriba County, New Mexico.

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

9 MR. STAMETS: The record will so show.

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11 CHARLES VERQUER

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

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18 tify the subject well, Mr. Verquer?

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20 All the shaded area being the property that's operated by
21 Caulkins. The well is identified by the red arrow in Section
22 14, 26 north 7 west, number 220-R. Proposed completion is
23 a Pictured Cliffs-Chacra-Mesaverde-Dakota. We propose to
24 commingle three zones -- Pictured Cliffs-Chacra and Mesaverde --
25 and then dual it in the Dakota. Well No. 228, which is two

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2 MR. STAMETS: How is it currently set up?

3 MR. VERQUER: We are going to drill this well.

4 This is a new well.

5 MR. STAMETS: Okay. Very good.

6 MR. VERQUER: If approved, we will drill it.

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8 Q Now, this application is very much like the
9 application in Case 6438 with regards to the 224-A Well,
10 except that in this instance you are adding the Pictured
11 Cliffs production?

12 A Right. It is the same information as presented
13 in Case number 6119, Order number 5634 that was approved
14 January 31, '78.

15 Q Let's look at Exhibit Number Two and have you
16 identify that.

17 A Exhibit Number Two is just a plat showing the
18 proposed location and all the offset -- direct offset wells.

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20 A Exhibit Number Three is a pressure tabulation
21 for the Pictured Cliffs-Chacra and Mesaverde zones all of
22 the offset wells that were operated by Caulkins and this is
23 the same information that was presented in Case number 6119
24 in 1978 that reflects the average pressure differences by
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1 Q Year dates are not on the Exhibit. What is the
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5 for 180 wells. This is the average pressure.

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17 wells that Caulkins operates?

18 A Yes, in those zones. Yes, sir.

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20 mula at the bottom of the Exhibit is based upon that past
21 production tabulation?

22 A Yes. May we changed it before we wrote the
23 Order and made it an even nickle and made 30,20 and 50.
24 That's the way Order number 5634 is written and that's the
25 way -- I have it on another Exhibit here.

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Santa Fe, New Mexico 87501

1 Q My Exhibit simply indicates different numbers.
2 Would you tell us what your proposed method of allocation is?

3 A Tom, on Exhibit Number Five, it's coming up.

4 Q All right. Let's look at that.

5 A Exhibit Number Five is the well records for
6 the well that was commingled in these three zones in 1978;
7 drilled and completed and commingled. The initial pressures,
8 the initial potential, when they were connected and then the
9 production records from July through December, and the pro-
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11 is 50% gas to Pictured Cliffs and 20% of the gas to the
12 Chacra; 30% of the gas and 100% of the oil in the Mesaverde
13 zone.

14 Q Do you anticipate that both the Pictured Cliffs
15 and the Chacra zones will be dry?

16 A Yes, sir.

17 Q Is there any significant pressure differentials
18 between any of the zones to be commingled?

19 A No. We came up with an initial pressure of
20 892 for the Pictured Cliffs; 912 for the Chacra; 1074 as an
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24 Q In your opinion, is this sufficiently low
25 enough to avoid damage to any of the formations?

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1 A Yes, unless it's shut in for an extended period
2 of time.

3 Q Are the ownership and working interests common
4 with regards to the commingled formations?

5 A They are.

6 Q Would you identify Exhibit Number Six?

7 A That's a diagram of my proposed well. Seven
8 inch casings, cemented top to bottom, and with a packer set
9 between the Mesaverde and Dakota perforations. Tubing will
10 be run with seals set in the packer and tubing will be set
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13 Mesaverde perforations for the commingled upper zones. I
14 need to add one more thing that we missed on this one. You
15 notice the Well number is 220-R. I'm proposing to plug and
16 abandon the well and drill this well, and I heard some com-
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3 from it as I could in that proration unit to drill another
4 Pictured Cliffs well there.

5 Q Were Exhibits One through Six prepared by you?

6 A Yes, they were.

7 Q In your opinion, Mr. Verquer, will approval of
8 the application prevent waste and protect correlative rights?

9 A They will.

10 MR. KELLAHIN: I move the introduction of
11 Exhibits One through Six.

12 MR. STAMETS: They will be admitted.

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14 EXAMINATION

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16 Q Mr. Verquer, do you have objection to the same
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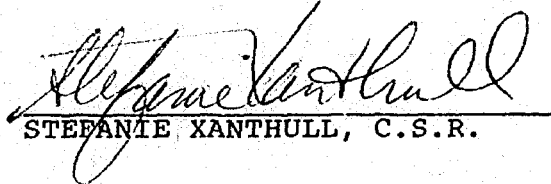
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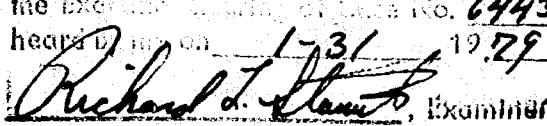
23 (Hearing Concluded.)
24
25

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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 complete and correct transcript of the proceedings in
the Executive Session of Case No. 6443,
heard on 1-31-79.

Richard L. Hunt, Examiner
Oil Conservation Division

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Santa Fe, New Mexico 87501

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ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
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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.

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Richard L. Hunt, Examiner
Oil Conservation Division

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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. 6443
ORDER NO. R-5926

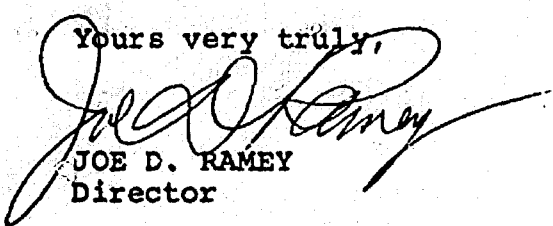
Applicant:

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. 6443
Order No. R-5926

APPLICATION OF CAULKINS OIL COMPANY
FOR A DUAL COMPLETION AND 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, seeks authority to complete its Breech B Well No. 220-R, located in Unit B of Section 14, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Dakota formation through one string of tubing and to produce commingled Pictured Cliffs, Chacra and Mesaverde gas production through a second string of tubing.

(3) That from each of the zones proposed to be commingled, the subject well is expected to be capable of low marginal production only.

(4) 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. 6443

Order No. R-5926

(5) 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.

(6) 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 of the pressure and productivity encountered upon completion and to further notify said district office any time the subject well is shut-in for 7 consecutive days.

(7) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas production should be allocated to the Pictured Cliffs zone, 20 percent of the commingled gas production to the Chacra zone, and 30 percent of the commingled gas production and all of the condensate production to the Mesaverde zone.

(8) That the Director of the Division should be authorized to rescind the commingling authority granted by this order whenever it appears that waste would be prevented thereby.

(9) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(10) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to complete its Breech B Well No. 220-R, located in Unit B of Section 14, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Dakota formation through one string of tubing and to produce Pictured Cliffs, Chacra and Mesaverde gas production, hereby authorized to be commingled in the wellbore, through a second string of tubing with separation of the Dakota zone from the other zones achieved by means of a packer set at approximately 5100 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

-3-

Case No. 6443

Order No. R-5926

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for gas wells in Northwest New Mexico.

(2) That 50 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone, 20 percent of the commingled gas production shall be allocated to the Chacra zone, and 30 percent of the commingled gas production and all of the condensate production shall be allocated to the Mesa-verde 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 the applicant shall immediately advise the Division's Aztec district office of the pressure and potential of the commingled zones.

(5) That the Director of the Division may rescind the authority to commingle granted by this order if it appears that waste will be prevented thereby.

(6) 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


JOE D. RAMEY
Director


S E A L

fd/

CAULKINS OIL COMPANY

Breech B 220 R

Unit B Sec. 14 26N 7W

Rio Arriba County, New Mexico

Case No.

Proposal

Dual Complete Dakota and Comminged Pictured Cliffs, Chacra and Mesa Verde.

Ownership and all working interests Common for this well.

Exhibit # 1

Section map showing all Caulkins Wells, proposed well and all offset wells.

Exhibit # 2

Plat showing all direct offset wells.

Exhibit # 3

Tabulation of yearly average pressures for Pictured Cliffs, Chacra and Mesa Verde Zones. (Note: Same information as presented Case No. 6119, approved order No. 5634, January 31, 1978.)

Exhibit # 4

Tabulation of yearly average Production for Pictured Cliffs, Chacra and Mesa Verde Zones. (Note: Same information as presented Case No. 6119, approved order No. 5634, January 31, 1978.)

Exhibit # 5

Production Records for Well No. 228.

Exhibit # 6

Diagram showing proposed Commingling and Dual Completion.

CAULKINS OIL COMPANY
Breech B 220 k
Unit B Sec. 14 26N 7W
Rio Arriba County, New Mexico

Case No. 66443

Proposal

Dual Complete Dakota and Comminged Pictured Cliffs, Chacra
and Mesa Verde.

Ownership and all working interests Common for this well.

Exhibit # 1

Section map showing all Caulkins Wells, proposed well and
all offset wells.

Exhibit # 2

Plat showing all direct offset wells.

Exhibit # 3

Tabulation of yearly average pressures for Pictured Cliffs,
Chacra and Mesa Verde Zones. (Note: Same information as presented
Case No. 6119, approved order No. 5634, January 31, 1978.)

Exhibit # 4

Tabulation of yearly average Production for Pictured Cliffs,
Chacra and Mesa Verde Zones. (Note: Same information as presented
Case No. 6119, approved order No. 5634, January 31, 1978.)

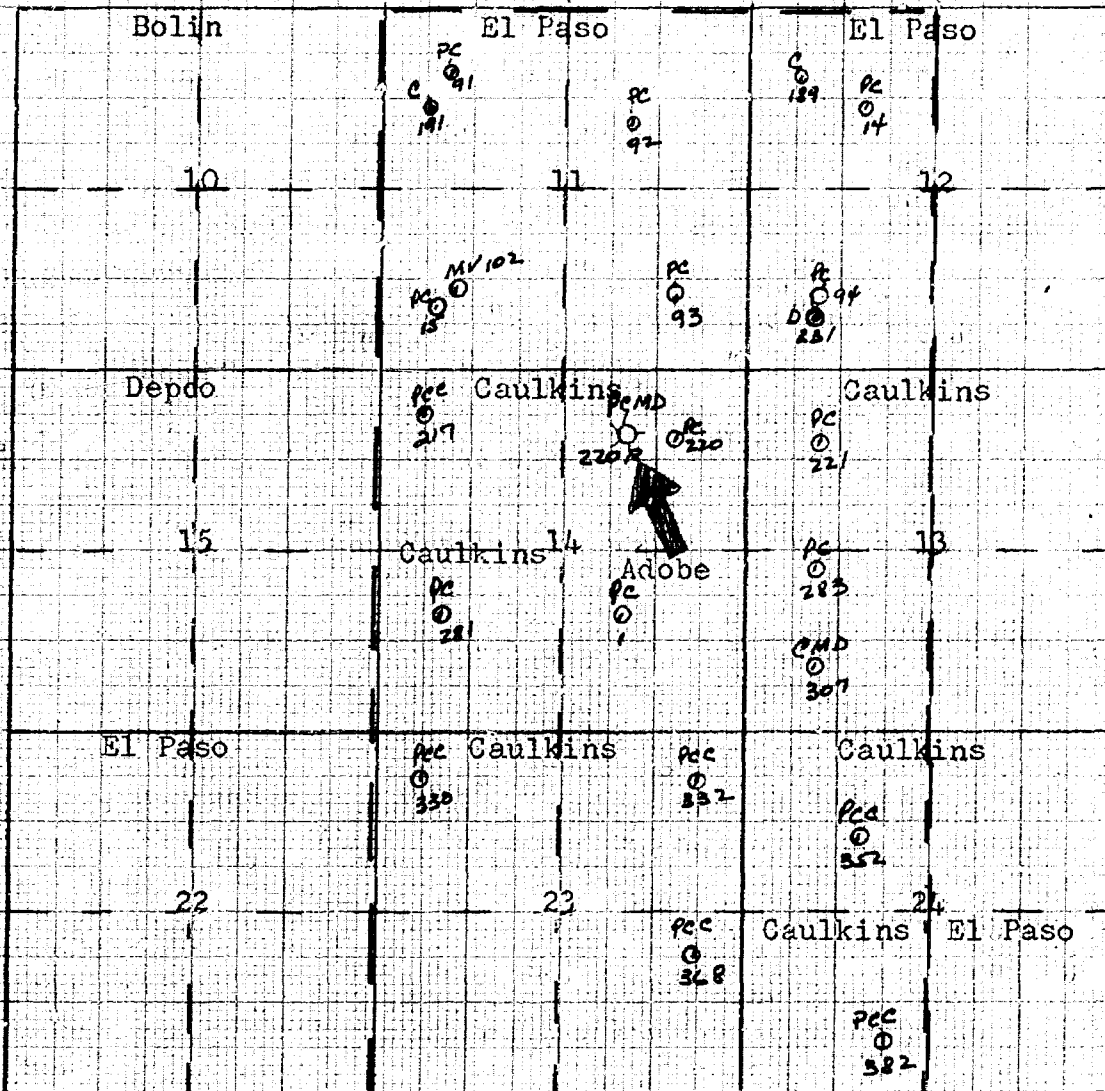
Exhibit # 5

Production Records for Well No. 228.

Exhibit # 6

Diagram showing proposed Commingling and Dual Completion.

CAULKINS OIL COMPANY
 Breech B 220R
 Unit B Section 14 26N 7W
 Rio Arriba County, New Mexico



pcmd Pictured Cliffs - Chacra - Mesa Verde - Dakota
 D Dakota
 Pc Pictured Cliffs
 c Chacra
 pcc Pictured Cliffs - Chacra
 mv Mesa Verde

BEFORE EXAMINER SIGNATURE
 CALIFORNIA DEPARTMENT OF MINES
 2

6443

Submitted by
 Hearing Date 1-31-78

46 1473

10 X 10 TO 1/2 INCH 7 1/2 X 10 INCHES
 KLEFFEL & ESSER CO. MADE IN U.S.A.

CAULKINS OIL COMPANY

Case No.

Yearly Average Pressure Tabulation

Pictured Cliffs

892
645
568
542
540
534
512
497
485
474
462
442
421
397
379
358
347
338
324
318
303

Chacra

912
646
494
433
382
379
351
416
395
395
379
371
355

Mesa Verde

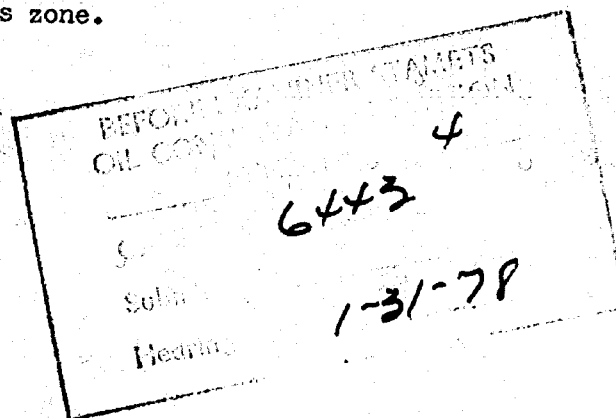
1074
861
814
782
749
729
712
676
619
636
622
601
581
561
548
533
479
498
458
448
430

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 3
CASE NO. 6443
Submitted by _____
Hearing Date 1-31-78

AVERAGE PRODUCTION TABULATIONS
Monthly

Pictured Cliffs	Chacra	Mesa Verde	Total	Case No.		
				Breakdown		
				PC	Ch	MV
9909	5588	3845	19642	50	30	20
10464	4358	3845	18667	56	23	21
9832	3930	3845	17607	56	23	22
7557	3304	3845	14706	51	22	27
6273	2980	3845	13098	48	23	29
6829	2602	3845	13276	51	20	29
7164	2465	3845	13474	53	18	29
6973	2537	3845	13355	52	19	29
6576	2396	3845	12317	51	19	30
6044	2153	3845	12042	50	18	32
5811	1921	3845	11577	50	17	33
4553	2143	3845	10541	43	20	37
5147	1991	3225	10363	50	19	31
5289	2480	3225	10994	48	23	29
4822	2281	3225	10328	47	22	31
4808	2040	3225	10073	48	20	32
4838	2116	3225	10179	47	21	32
4015	1782	3225	9022	45	20	35
2942	1539	3225	7706	38	20	42
3545	1647	3225	8417	42	20	38
4845	2043	3225	10113	48	20	32
4531	2174	3225	9930	46	22	32
4189	1765	3225	9179	46	19	35
4354	1868	3225	9447	46	20	34
4035	1828	2857	8720	46	21	33
4036	1949	2857	8842	46	22	32
3706	1732	2857	8295	45	21	34
3792	1849	2857	8498	45	22	33
3901	1893	2857	8651	45	22	33
3128	1714	2857	7699	41	22	37
3955	1720	2857	8532	46	20	34
			Avg.	48	21	31
			R5634	50	20	30

Recommend production split all oil and 31% of gas to Mesa Verde Zone, 21% of gas to Chacra zone and 48% of gas to Pictured Cliffs zone.



CAULKINS OIL COMPANY

Breech B 220 R

Unit B Sec. 14 26N 7W

Rio Arriba County, New Mexico

RECORDED
OIL

Case No. 5
6443

Submittal
Hearing Date 1-31-78

Exhibit # 5

Production records for Well No. 228 Commingled Order No. 5634,
located 1 $\frac{1}{4}$ miles east of this well.

Dakota Initial Potential	7-3-78	1,683 MCFPD.
Dakota Initial Shut in Press	7-3-78	1975 #
Commingled Initial Potential	6-26-78	3,132 MCFPD.
Commingled Initial Shut in Press	6-26-78	794 #

Dakota Zone connected to Line 7-17-78.

Commingled Zones connected to Line 8-3-78.

	Dakota Zones	Commingled Zones
July 1978	3421	
August	7403	3925
September	8509	4041
October	8909	2676
November	7138	4062
December	6682	4169
Cum. Total	42,062	18,873

Deliverability Tests

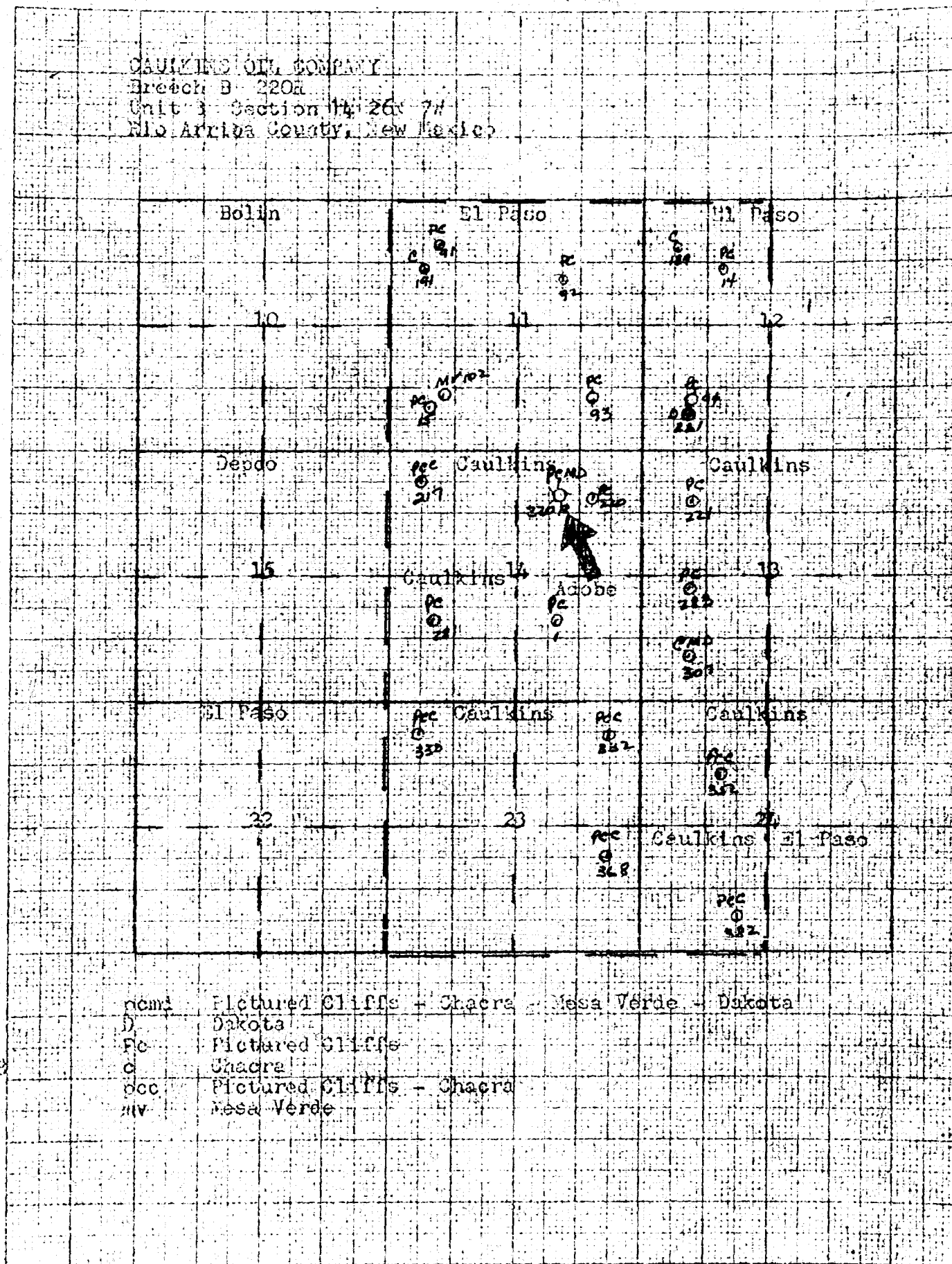
Pressure	1635	685
Rate of Flow	202	245
Deliverability	168	135

Propose production split same as Order No. 5634 50% Gas to
Pictured Cliffs, 20% Gas to Chacra, 30% Gas and 100% of Oil
to Mesa Verde Zone.

72

46 1473

K·Σ
10 X 10 TO 6 INCH • 1/2 X 10 INCHES
KEMTEL & ESSER CO. MADE IN U.S.A.



CAULKINS OIL COMPANY

Case No. 6443

3

Yearly Average Pressure Tabulation

Pictured Cliffs	Chacra	Mesa Verde
892	912	1074
645	646	861
568	494	814
542	433	782
540	382	749
534	379	729
512	351	712
497	416	676
485	395	619
474	395	636
462	379	622
442	371	601
421	355	581
397		561
379		548
358		533
347		479
338		498
324		458
318		448
303		430

6443
Ex 4

AVERAGE PRODUCTION TABULATIONS
Monthly

				Case No.		
				Breakdown		
				PC	Ch	MV
Pictured Cliffs	Chacra	Mesa Verde	Total			
9909	5588	3845	19642	50	30	20
10464	4358	3845	18667	56	23	21
9832	3930	3845	17607	56	23	22
7557	3304	3845	14706	51	22	27
6273	2980	3845	13098	48	23	29
6829	2602	3845	13276	51	20	29
7164	2465	3845	13474	53	18	29
6973	2537	3845	13355	52	19	29
6576	2396	3845	12817	51	19	30
6044	2153	3845	12022	50	18	32
5811	1921	3845	11577	50	17	33
4553	2143	3845	10541	43	20	37
5147	1991	3225	10363	50	19	31
5289	2480	3225	10994	48	23	29
4822	2281	3225	10328	47	22	31
4808	2040	3225	10073	48	20	32
4838	2116	3225	10179	47	21	32
4015	1782	3225	9022	45	20	35
2942	1539	3225	7706	38	20	42
3545	1647	3225	8417	42	20	38
4845	2043	3225	10113	48	20	32
4531	2174	3225	9930	46	22	32
4189	1765	3225	9179	46	19	35
4354	1868	3225	9447	46	20	34
4035	1828	2857	8720	46	21	33
4036	1949	2857	8842	46	22	32
3706	1732	2857	8295	45	21	34
3792	1849	2857	8498	45	22	33
3901	1893	2857	8651	45	22	33
3128	1714	2857	7699	41	22	37
3955	1720	2857	8532	46	20	34
			Avg.	48	21	31

Recommend production split all oil and 31% of gas to Mesa Verde Zone, 21% of gas to Chacra zone and 48% of gas to Pictured Cliffs zone.

CAULKINS OIL COMPANY
Breech B 220 R
Unit B Sec. 14 26N 7W
Rio Arriba County, New Mexico

Case No. 64-23
Ex 5

Exhibit # 5

Production records for Well No. 228 Commingled Order No. 5634,
located 1 $\frac{1}{4}$ miles east of this well.

Dakota Initial Potential	7-3-78	1,683 MCFPD.
Dakota Initial Shut in Press	7-3-78	1975 #
Commingled Initial Potential	6-26-78	3,132 MCFPD.
Commingled Initial Shut in Press	6-26-78	794 #

Dakota Zone connected to Line 7-17-78.

Commingled Zones connected to Line 8-3-78.

	Dakota Zones	Commingled Zones
July 1978	3421	
August	7403	3925
September	8509	4041
October	8909	2676
November	7138	4062
December	6682	4169
Cum. Total.	42,062	18,873

Deliverability Tests

Pressure	1635	685
Rate of Flow	202	245
Deliverability	168	135

Propose production split same as Order No 5634 50% Gas to
Pictured Cliffs, 20% Gas to Chacra, 30% Gas and 100% of Oil
to Mesa Verde Zone.

Docket No. 4-79

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 660 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 23,009 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

JAN 10 1979
OIL CONSERVATION DIVISION

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

Case 6443

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 a dual completion, and for downhole commingling in its Well No. 220-~~R~~^B, located in Unit ~~B~~^A, Section 14, Township 26 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to commingle production from the Pictured Cliffs, Chacra, and the Mesaverde formations in the wellbore, and to dually complete the well to produce the commingled production with production from the Dakota formation, as a conventional dual completion.
2. Approval of this application is in the interest 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 approving the commingling and dual completion
as requested.

Respectfully submitted,
CAULKINS OIL COMPANY

By Jason Kullahi
Kullahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT JAN - 8 1979
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION
Santa Fe

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

Case 6443

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 a dual completion, and for downhole commingling in its Well No. 220-R, located in Unit B, Section 14, Township 26 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to commingle production from the Pictured Cliffs, Chacra, and the Mesaverde formations in the wellbore, and to dually complete the well to produce the commingled production with production from the Dakota formation, as a conventional dual completion.

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

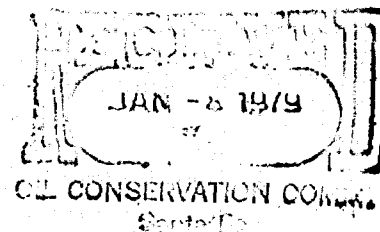
WHEREFORE applicant prays that this application be set for hearing at the last examiner hearing in January, 1979, and that after notice and hearing as required by law, the Division

enter its order approving the commingling and dual completion
as requested.

Respectfully submitted,
CAULKINS OIL COMPANY

By Jason Kellahin
Kellahin & Fox
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 A DUAL COMPLETION
AND DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO

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CAULKINS OIL COMPANY

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

ATTORNEYS FOR APPLICANT

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6443

Order No. R- 5926

APPLICATION OF CAULKINS OIL COMPANY

FOR A DUAL COMPLETION, AND DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on
January 31, 19⁷⁹, 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,
seeks authority to complete its Breech B Well No. 220-R
~~Well No. _____~~, located in Unit B of Section 14, Town-
ship 26 North, Range 7 West, NMPM, Rio Arriba
County, New Mexico, as a dual completion (conventional) to
~~-(combination)~~
~~---(tubingless)---~~

~~---oil---~~
produce gas from the Dakota formation through a separate string
produce commingled
of tubing and to commingle Pictured Cliffs, Chacra and
Mesaverde ^{gas} production ~~in the wellbore of said well~~ through
a second string of tubing.

(3) (4) That from ^{each of} the ~~zones~~ ^{proposed to be commingled} zone, the subject well is ^{expected to be} capable of low marginal production only.

~~(4) (5) That from the _____ zone, the subject well is capable of low marginal production only.~~

(4) (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.

(6) (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.

(7) (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 Ratee district office of the Division ^{of the pressure and productivity encountered upon completion and} any time the subject well is shut-in for 7 consecutive days.

(8) (9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas production should be allocated to the Pictured Cliffs zone, ~~and~~ 20 percent of the commingled gas production to the Chacra zone, and 30 percent of the commingled gas production and all of the condensate production ^(ALTERNATE) to the Mesaverde zone.

~~(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 _____ district office of the Division and determine an allocation formula for each of the production zones.~~

⁸ (9) That the Director of the Division should be authorized to rescind the commingling authority granted by this order whenever it appears that waste would be prevented thereby.

to further notify said district office

(10) (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(11) (4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to complete its Breech B Well No. 220-R, located in Unit B of Section 14, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) (combination) (tubingless)

oil---
to produce gas from the Dakota formation through one separate string of tubing and to ~~commingle~~ ^{produce} Pictured Cliffs, Chacra and Mesaverde

production, hereby authorized to be commingled in the wellbore, through a second string of tubing, production in the wellbore of said well.
with separation of the Dakota zone, achieved by means of a packer set at approximately 510 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the gas wells in Northwest New Mexico POOL.

(2) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, _____, is hereby authorized to commingle _____ and _____ production within the wellbore of the _____, located in Unit _____ of Section _____, Township _____, Range _____, NMPM, _____ County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the _____ 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 50 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone, and 20 percent of the commingled gas production shall be allocated to the Chacra zone, and 30 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 Altec 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.

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

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

(4) That ~~the~~ the applicant shall immediately advise the Division's Altec district office of the pressure and potential ~~encountered~~ ^{of} in the commingled zones.

(5) That the Director of the Division may rescind the authority to commingle granted by this order if it appears that waste will be prevented thereby.