

Case NO.

6583

Application

Transcripts

Small Exhibits

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production) CASE
Company for downhole comingling,) 6583
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: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: Charles Malone, Esq.
ATWOOD, MALONE, MANN & COOTER
Roswell, New Mexico

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SSE) 171-9462
Santa Fe, New Mexico 87501

I N D E X

R. B. GILES

Direct Examination by Mr. Malone 3
Cross Examination by Mr. Stamets 6

E X H I B I T S

Applicant Exhibit One, Plat 4

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (S.E.) 471-4453
Santa Fe, New Mexico 87501

1 MR. STAMETS: We'll call next Case 6583.

2 MR. PADILLA: Application of Amoco Pro-
3 duction Company for downhole commingling, Rio Arriba County,
4 New Mexico.

5 MR. MALONE: May it please the Commission,
6 Charles Malone of Atwood and Malone, Roswell.

7 We have one witness and one exhibit.
8 Could your witness be sworn?

9
10 (Witness sworn.)

11
12 R. B. GILES

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. MALONE:

18 Q Would you please give your name and ad-
19 dress?

20 A R. B. Giles, G-I-L-E-S, Amoco Production
21 Company, in its Denver Region, in an engineering capacity.

22 Q Mr. Giles, have you previously had your
23 qualifications in engineering accepted by the Commission
24 in other cases?

25 A I have.

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1 MR. MALONE: Can the Commission accept his
2 qualifications in engineering matters?

3 MR. STAMETS: The witness is considered
4 qualified.

5 Q (Mr. Malone continuing.) Briefly, Mr.
6 Giles, what does Amoco seek by its application?

7 A We seek to have approval to open the B.S.
8 Mesa-Gallup in Jicarilla Apache 102 Well No. 13, located
9 in the northeast quarter of Section 10, 26 North, 4 West,
10 and downhole commingle the Gallup gas with existing Dakota
11 gas in that well.

12 This particular well is located in the
13 extreme southeastern portion of the San Juan Basin in Rio
14 Arriba County.

15 Q Was Exhibit Number One prepared by you
16 or under your supervision?

17 A It was.

18 Q Would you describe briefly now what the
19 exhibit reflects?

20 A We show four sections in T26N, R4W, and
21 we show the wells in those four sections. We have color-
22 coded the commingled wells with red dots; there are six
23 of them in the four sections.

24 We have color-coded the Dakota as orange
25 dots, single completions. Of course the Jicarilla Apache

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1 102 No. 13 is a single Dakota gas completion at this time.

2 And we show with the light green dots the
3 B.S. Mesa-Gallup wells.

4 Q Now those red dots which you mentioned as
5 commingled are Gallup and Dakota.

6 A Yes, downhole commingled. And all of the
7 four sections are owned 100 percent by Amoco.

8 There are no Gallup wells in Sections 2
9 and 11 to the east, nor are there any Gallup wells in
10 Sections 15 and 16 to the south.

11 I might explain the legend, the boxes down
12 in the left corner, which are -- represent first, the
13 ultimate reserves, and to the right, the cumulative gas
14 in Bcf to 1/1/79, and we show the average of the last six
15 month of 1978 daily gas production, and to the right, the
16 initial potential of the well.

17 And finally, at the bottom of the box we
18 show the first delivery date and to the right, the expected
19 ultimate condensate production in thousands of barrels.

20 The stand-up lettering is the Dakota in
21 the box. The slanted lettering is the Gallup, and for the
22 Jicarilla Apache 102 No. 13 Dakota Well, for example, up
23 and starting underneath that well, the ultimate gas production
24 is little over 1.4 Bcf. It has a cumulated .76 Bcf. The
25 last six months of '78 production averaged 140 MCFD, al-

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1 though the well has declined as of the first of the year
2 to 103 MCFD. The initial potential was 1.77 million cubic
3 feet a day. The Dakota was first produced in November of
4 1963 and the ultimate condensate is expected to be 32,000
5 barrels.

6 Q Would you mention, please, the production
7 of Gallup gas in the offsetting areas?

8 A Yes. We, in opening the Gallup in the
9 No. 13 Well, we certainly hope to get Gallup production
10 similar to the well to the west, the No. 11, which has
11 accumulated a little over a half Bcf and has an ultimate
12 projection of 1.69 Bcf; currently making 116 MCFD.

13 We would hopefully not get a Gallup well
14 in No. 13 like the well to the north, No. 28, nor the well
15 still further north in Section 3, No. 7, which are extremely
16 marginal Gallup wells.

17 MR. MALONE: Does the Examiner have any
18 questions?

19
20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Mr. Giles, what's the reason for asking
23 for downhole commingling in this well?

24 A Simply to complete both zones downhole and
25 minimize cost to obtain the gas reserves from both zones.

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3030 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87301

1 Q What -- I presume, now, you're asking --
2 you're assuming that you're going to get production at a
3 level similar to the Jicarilla Apache No. 11.

4 A This is what we hope for, yes, sir.

5 Q What was that well's original potential?

6 A We don't have that. I don't find that in
7 checking Dwight's gas curves.

8 Q Okay. What about pressures in the two
9 zones?

10 A In the No. 11 Well the Dakota latest
11 pressure was 598 psi and in the Gallup it was just under
12 500 psi.

13 Q And where was the Gallup measured, in the
14 same well?

15 A Yes, in the same well, No. 11.

16 So the pressures should be comparable.

17 Q Do you have the pressures in the Gallup
18 on any of the single completions in the area? Such as the
19 No. 28 Well or the No. 31?

20 A In the No. 28 Well I do not have any
21 pressures. And I do not have one in the 31 Well, either.

22 Q Do you have any pressures on any other
23 wells in the territory there?

24 A In the Gallup?

25 Q Yes.

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CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (595) 471-2492
Santa Fe, New Mexico 87501

1 A Yes. The No. 12 Well has a pressure of
2 523. The No. 10 Well has a pressure of 609. The No. 9
3 Well has a pressure of 554. The No. 8 Well has a pressure
4 of 565. And the No. 7 Well has a pressure of 631.

5 Q Could you run dual completion equipment
6 in the No. 13 Well?

7 A I'm not sure of the size of the casing
8 string in that well. I don't have that information with
9 me. We would, of course, like to avoid the expense of a
10 packer, if we could.

11 Q What about the ownership of the production?

12 A It's all 100 percent Amoco.

13 Q And how about the royalty interest? Are
14 they identical?

15 A Well, it's on the Jicarilla Apache Reser-
16 vations.

17 Q So the answer is yes?

18 A Yes.

19 So basically we're asking for the privi-
20 lege to dual -- I mean downhole commingle much as most of
21 the wells in the area have been approved for downhole com-
22 mingling.

23 Q How will you provide the production between
24 the two zones?

25 A In the same manner that has been in the

1 other six wells.

2 Q So you just work with the District Super-
3 visor there and develop a format?

4 A Yes, sir.

5 Q And will this downhole commingling result
6 in production of gas from each of the pools which would not
7 otherwise be recovered?

8 A The is the ultimate objective, yes.

9 MR. STAMETS: Any other questions of the
10 witness? He may be excused.

11 Anything further in this case?

12 MR. MALONE: We move the admission of Ex-
13 hibit Number One.

14 MR. STAMETS: Exhibit Number One will be
15 admitted.

16 If there is nothing further, the witness
17 is excused and the case is taken under advisement.

18 MR. MALONE: Thank you.

19
20 (Hearing concluded.)
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1030 Plaza Blanca (905) 471-2492
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6583
heard by me on 7-16 1979

Richard L. Stan P. Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (SOS) (71-2462)
Santa Fe, New Mexico 87501

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JULY 11, 1979

Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
DANON WEEMS	CARIBOU FOUR CORNERS, INC. FARMINGTON, NM	
William L. San	Campbell & Clark, T.A.	Santa Fe, N.M.
Charles D. Malone	Subsidiary Firm	Midland, Tex.
Bart Giles	Atwood Malone	Koswell
Dan Tappner	Amoco	Denver
Bub. Haker	TEXACO	Midland
Richard Tully	Capital Observer	Santa Fe
Tom Rupa	Dugan Production Corp.	Farmington, NM
Eugene E. Clark	Exxon Co. USA	Andrews, Tx
Tom L. Sprinkle	Dyco Petroleum	Midland, TX
Jerry Hines	AR Co. oil & Gas	Midland, Tx
Joel M. Carson	Loose Carson & D. Clauson	Artesia NM.
W.T. Kellahin	Kellahin & Kellahin	Santa Fe
Bill. Smith	Texas Oil and Gas	Midland, Tx
John A. Dunning	Flag Redfern O.I.C.	Midland, Tx

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87503

For the Applicant:	Charles Malone, Esq.
	ATWOOD, MALONE, MANN & COOTER
	Roswell, New Mexico

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Santa Fe, New Mexico 87501

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I N D E X

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E X H I B I T S

Applicant Exhibit One, Plat 4

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2482
Santa Fe, New Mexico 87501

1 MR. STAMETS: We'll call next Case 6503.

2 MR. PADILLA: Application of Amoco Pro-
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4 New Mexico.

5 MR. MALONE: May it please the Commission,
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7 We have one witness and one exhibit.
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10 (Witness sworn.)

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13 being called as a witness and having been duly sworn upon
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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

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2 qualifications in engineering matters?

3 MR. STAMETS: The witness is considered
4 qualified.

5 Q (Mr. Malone continuing.) Briefly, Mr.
6 Giles, what does Amoco seek by its application?

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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SCE) 471-4402
Santa Fe, New Mexico 87501

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Santa Fe, New Mexico 87501

1 though the well has declined as of the first of the year
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24 A In the Gallup?

25 Q Yes.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3029 Plaza Blanca (595) 471-2483
Santa Fe, New Mexico 87501

1 A Yes. The No. 12 Well has a pressure of
2 523. The No. 10 Well has a pressure of 609. The No. 9
3 Well has a pressure of 554. The No. 8 Well has a pressure
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24 the two zones?

25 A In the same manner that has been in the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Palm Bluffs (805) 471-4452
Santa Fe, New Mexico 87501

1 other six wells.

2 Q So you just work with the District Super-
3 visor there and develop a format?

4 A Yes, sir.

5 Q And will this downhole commingling result
6 in production of gas from each of the pools which would not
7 otherwise be recovered?

8 A The is the ultimate objective, yes.

9 MR. STAMETS: Any other questions of the
10 witness? He may be excused.

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13 hibit Number One.

14 MR. STAMETS: Exhibit Number One will be
15 admitted.

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17 is excused and the case is taken under advisement.

18 MR. MALONE: Thank you.

19
20 (Hearing concluded.)
21
22
23
24
25

REPORTER'S CERTIFICATE

I, SALLY W. 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.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.E.) 411-2483
Santa Fe, New Mexico 87501



BRUCE KING
GOVERNOR
LARRY KENOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 31, 1979

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

Mr. Charles Malone
Atwood, Malone, Mann & Cooter
Attorneys at Law
P. O. Drawer 700
Roswell, New Mexico 88201

Re: CASE NO. 6583
ORDER NO. R-6061

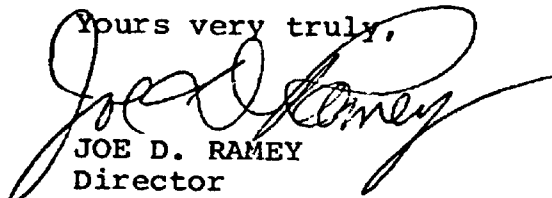
Applicant:

Amoco Production 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 OCD x
Artesia OCD x
Aztec OCD 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. 6583
Order No. R-6061

APPLICATION OF AMOCO PRODUCTION 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 July 11, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of July, 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, Amoco Production Company, is
the owner and operator of the Jicarilla Apache 102 Well No.
13, located in Unit B of Section 10, Township 26 North, Range
4 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
B. S. Mesa-Gallup and Basin-Dakota production within the well-
bore of the above-described well.

(4) That from the B. S. Mesa-Gallup zone, the subject
well is expected to be capable of marginal production only.

(5) That from the Basin-Dakota zone, the subject well
is capable of 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. 6583
Order No. R-6061

(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 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.

IT IS THEREFORE ORDERED:

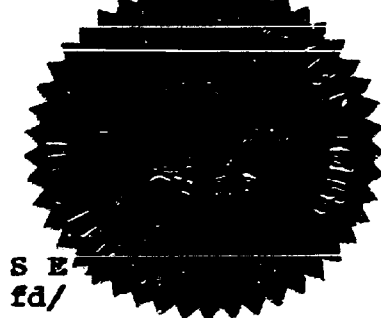
(1) That the applicant, Amoco Production Company, is hereby authorized to commingle B. S. Mesa-Gallup and Basin-Dakota production within the wellbore of the Jicarilla Apache 102 Well No. 13, located in Unit B of Section 10, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

(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 the subject well.

(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 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.

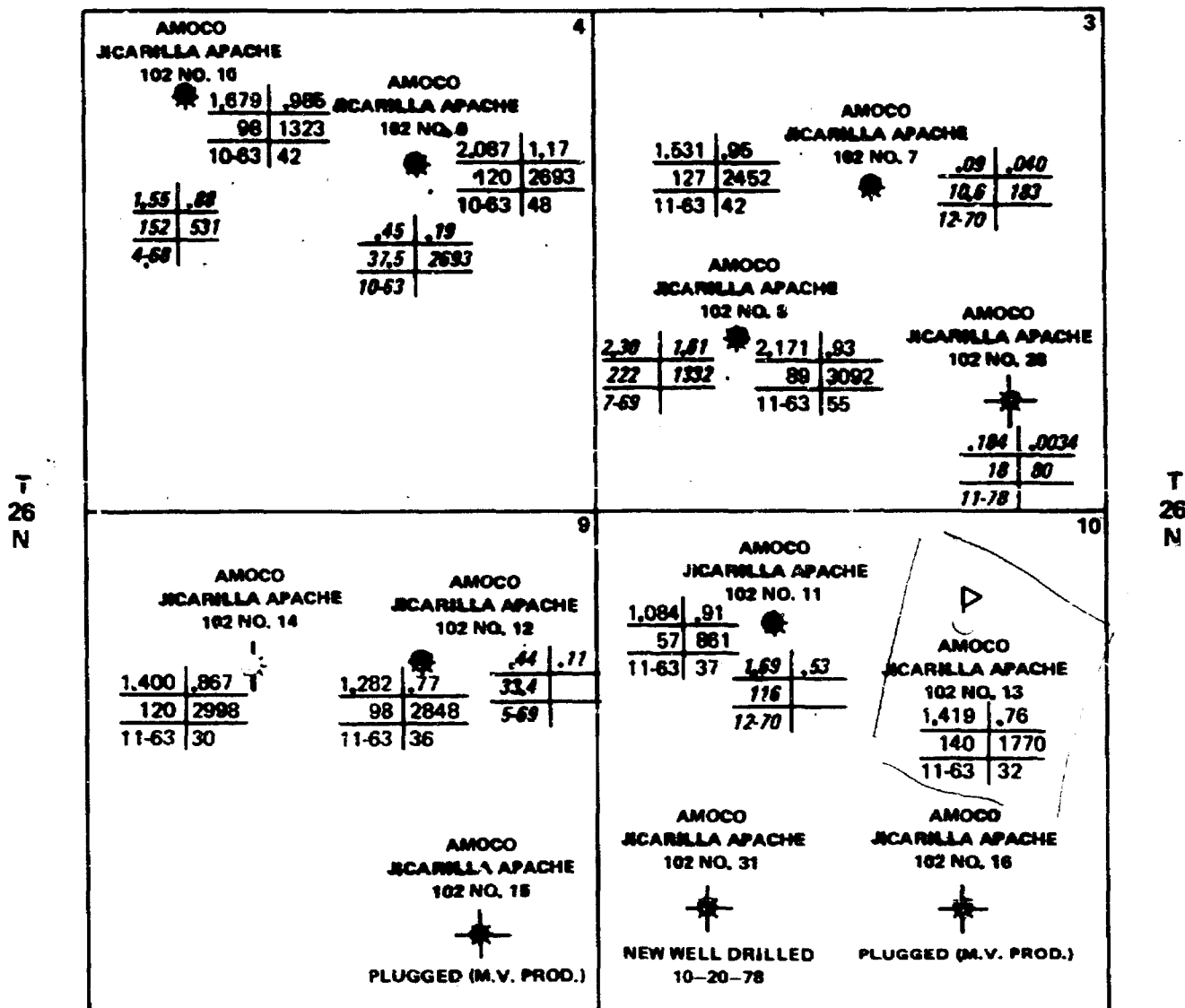


S E
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

R-4-W



BASIN DAKOTA & B.S. MESA GALLUP WELLS

LEGEND

- DAKOTA WELLS
- B.S. MESA GALLUP
- COMMINGLED WELLS

ULT. RESERVES	CUM. GAS (BCF)
BCF	(1/1/79)
MCFD	IP
(7-1-78 TO 1-1-79)	(MCFD)
1ST DELIVERY DATE	ULT. CUM. COND. (MBSLS.)

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

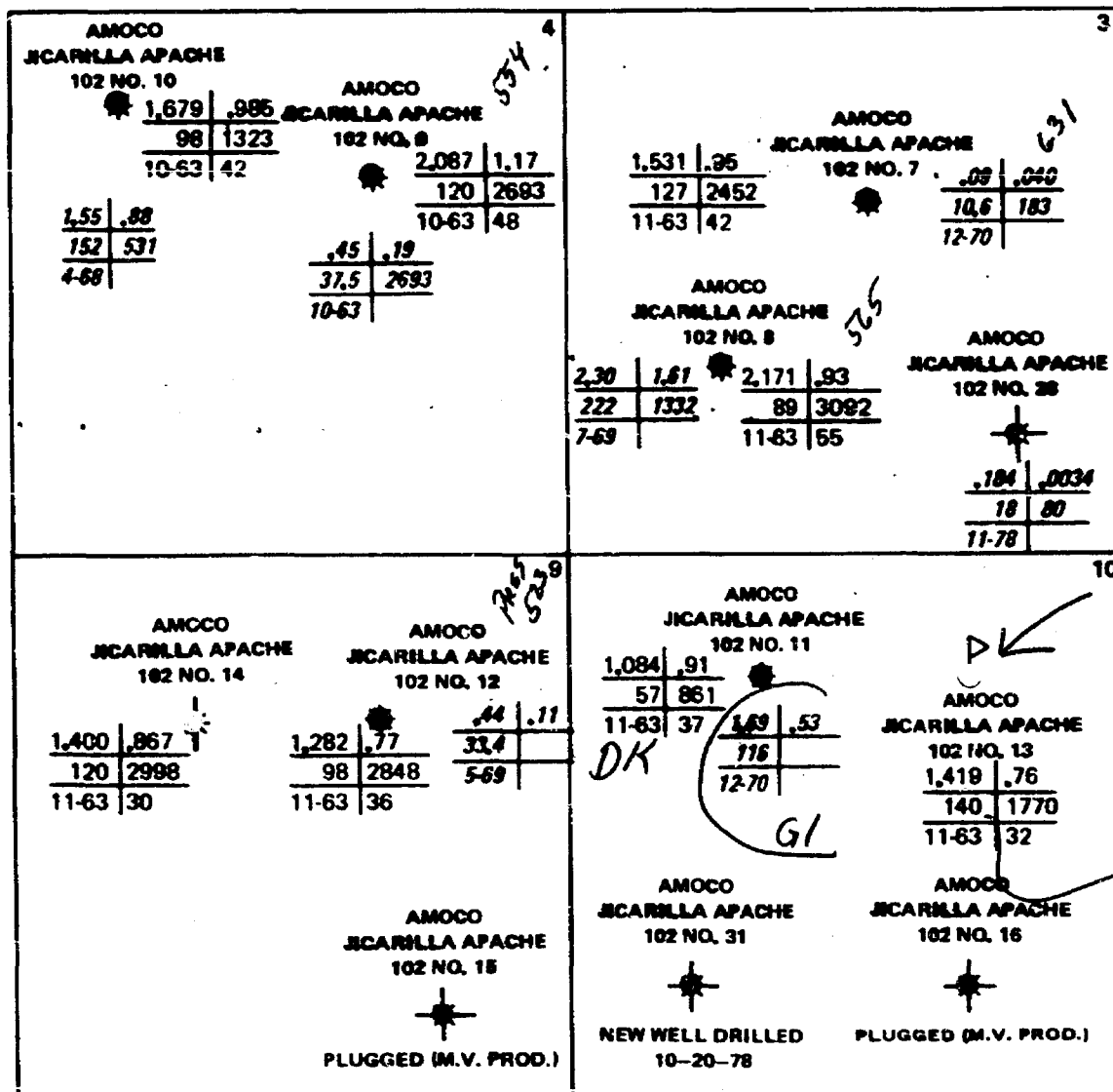
CASE NO. 6583

Submitted by Amoco

Hearing Date 7-11-79

AMOCO PRODUCTION COMPANY
DENVER REGION
JULY, 1979

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R-4-W

BASIN DAKOTA & B.S. MESA GALLUP WELLS

LEGEND

- DAKOTA WELLS
- B.S. MESA GALLUP
- COMMINGLED WELLS *GI-DK*

ULT. RESERVES	CUM. GAS (BCF)
BCF	(1/1/79)
MCFD	IP
(7-1-78 TO 1-1-79)	(MCFD)
1ST DELIVERY DATE	ULT. CUM. COND. (MBBL.S.)

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 1

CASE NO. 6583

Submitted by Amoco

Hearing Date 7-11-79

AMOCO PRODUCTION COMPANY
DENVER REGION
JULY, 1979

Dockets Nos. 27-79 and 28-79 are tentatively set for hearing on July 25 and August 8, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 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 6583: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of B.S. Mesa-Gallup and Basin-Dakota production in the wellbore of its Jicarilla Apache 102 Well No. 13 located in Unit B of Section 10, Township 26 North, Range 4 West.

CASE 6584: Application of Texas Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Shugart State Com. Well No. 2 660 feet from the South line and 1930 feet from the East line of Section 16, Township 18 South, Range 31 East, to test the Wolfcamp through Mississippian formations, the E/2 of said Section 16 to be dedicated to the well.

CASE 6574: (Continued from June 13, 1979, Examiner Hearing)

Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. 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 6563: (Continued from June 27, 1979, Examiner Hearing)

Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6585: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesigned Fruitland and West Kutz-Pictured Cliffs production in the wellbores of its Paul Wells Nos. 1 and 2 located in Units G and C of Section 19, Township 27 North, Range 11 West.

CASE 6586: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Conner-Fruitland and undesigned Pictured Cliffs production in the wellbores of the following wells: Big Field Well No. 2 in Unit C of Section 3; Big Field Well No. 5 in Unit P of Section 10; Dinero Well No. 1 in Unit H of Section 13; and Molly Pitcher Well No. 2 in Unit H of Section 14, all in Township 30 North, Range 14 West.

CASE 6587: Application of Caribou Four Corners, Inc., for three unorthodox well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following wells in the Cha Cha-Gallup Pool: Kirtland Wells Nos. 3 and 4 located 730 feet from the North line and 2250 feet from the East line and 1450 feet from the North line and 595 feet from the East line, respectively, of Section 18, Township 29 North, Range 14 West; and Kirtland Well No. 2 260 feet from the North line and 2100 feet from the East line of Section 13, Township 29 North, Range 15 West.

CASE 6588: Application of Caribou Four Corners, Inc., for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 64.32-acre non-standard oil proration unit comprising the NW/4 NW/4 and that part of Lot 5 lying north of the San Juan River, all in Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.

CASE 6589: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "BV" No. 2 Well 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, to test the Morrow formation, the N/2 of said Section 25 to be dedicated to the well.

- CASE 6590:** Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 6591:** Application of Exxon Corporation for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the NE/4 of Section 2, Township 24 South, Range 36 East.
- CASE 6592:** Application of Maddox Energy Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Malaga Well No. 1 located in Unit G of Section 3, Township 24 South, Range 29 East, to produce gas from the Atoka and Morrow formations through parallel strings of tubing.
- CASE 6593:** Application of Dyco Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the San Andres, Glorieta and Tubb formations in the open-hole interval from 4894 feet to 8725 feet in its C. S. Stone Well No. 3 located in Unit F of Section 22, Township 15 South, Range 38 East, Medicine Rock-Devonian Pool.
- CASE 6594:** Application of Flag-Redfern Oil Co. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in an unlined surface pit located in Unit F, Section 2, Township 19 South, Range 31 East, Shugart Field.
- CASE 6595:** Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, 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 6270:** (Reopened and Readvertised)
- In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Pusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

Docket No. 26-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 18, 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:

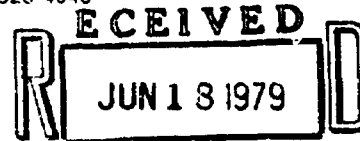
- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for August, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for August, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.



Amoco Production Company

Denver Region
Security Life Building
Denver, Colorado 80202
303-820-4040

June 15, 1979



OIL CONSERVATION DIVISION
SANTA FE

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Case 6583

File: HAS-10-986.511

Application for Downhole Commingling of B.S. Mesa Gallup Gas and Basin
Dakota gas in Jicarilla Apache 102 Well No. 13, NE/4 of
Section 10 T26N-R4W Rio Arriba County, New Mexico

By this verified application submitted in triplicate, we request, after notice and hearing, your approval to downhole commingle gas production from the Gallup and Dakota formations in the captioned well.

We respectfully request this application be set for hearing on the July 11, 1979 examiner hearing docket. If this timing does not meet your requirements for any reason, please set the matter for your first examiner hearing in August because our hearing personnel have a conflict with your July 25 examiner hearing date.

Located in the southeastern portion of the San Juan Basin, Jicarilla Apache 102 No. 13 was drilled through the B.S. Mesa Gallup formation and completed in the Basin Dakota formation in November 1963. Currently (1-1-79), the Dakota in this well produces 103 MCFD. Amoco, by this application, proposes to recomplete the well by opening and fracing the B.S. Mesa Gallup and downhole commingling both gas producing formations. The Dakota and B.S. Mesa Gallup wells in this area are all commingled.

R.B. Giles
R. B. Giles

RBG:prb

Attachment

cc:
A. R. Kendrick, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, NM 87410

P. T. McGrath
United States Geological Survey
P. O. Box 965
Farmington, NM 87401

VERIFICATION AND AFFIDAVIT

STATE OF COLORADO

COUNTY OF DENVER

$$\begin{pmatrix} & \\ : & SS. \\ & \end{pmatrix}$$

R. B. Giles, of lawful age, being first duly sworn on his oath, deposes and says:

That he is employed in an engineering capacity by Amoco Production Company in its Denver, Colorado office; that he has been qualified as an expert engineering witness by the New Mexico Oil Conservation Commission and his qualifications have been made of record; that Amoco's application for approval to downhole commingle B.S. Mesa Gallup gas production and Basin Dakota gas production in its Jicarilla Apache 102 Well No. 13, NE/4 Section 10, T26N, R4W, Rio Arriba County, New Mexico, was prepared under his direction and supervision; that the matters and things therein set forth are true and correct to the best of his knowledge and beliefs.

R. B. Giles

Subscribed and sworn to before me this 15th day of June, 1979

Notary Public

My Commission expires:

My Commission Expires Aug. 15, 1930



June 15, 1979

Amoco Production Company

Denver, Colorado
Security Building
Denver, Colorado 80202
303-826-4000

RECEIVED
JUN 13 1979
OIL CONSERVATION DIVISION
SANTA FE

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

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R. B. Giles

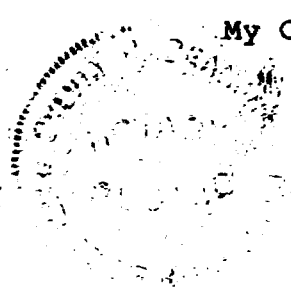
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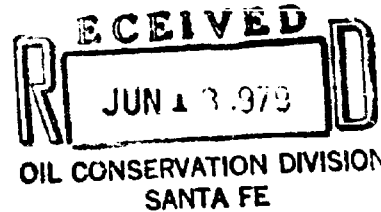


Amoco Production Company

Denver Region
Security Life Building
Denver, Colorado 80202
303-820-4040

June 15, 1979

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P.O. Box 2088
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Case 6583

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R. B. Giles
R. B. Giles

Subscribed and sworn to before me this 15th day of June, 1979

Notary Public

My Commission expires:

My Commission Expires Aug. 15, 1980



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. 6583

Order No. B-6261

APPLICATION OF AMOCO PRODUCTION 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 July 11
19 79, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this day of July, 19 79, 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, Amoco Production Company, is
the owner and operator of the Jicarilla Apache 102 Well No. 13
located in Unit B of Section 10, Township 26 North
Range 4 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
B. S. Mesa-Gallup and Basin-Dakota production
within the wellbore of the above-described well.

(4) That from the B. S. Mesa-Gallup zone, the subject well is ^{expected to be} capable of ~~low~~ marginal production only.

(5) That from the Basin-Dakota 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, _____ percent of the commingled _____ production should be allocated to the B. S. Mesa-Gallup zone, and _____ percent of the commingled _____ production to the Basin-Dakota 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to commingle B. S. Mesa-Gallup and Basin-Dakota production within the wellbore of the Jicarilla Apache 102 Well/ ^{No. 13}, located in Unit B of Section 10, Township 26 North, Range 4 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 _____ percent of the commingled production shall be allocated to the B. S. Mesa-Gallup zone and _____ percent of the commingled production shall be allocated to the Basin-Dakota 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 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.