

CASE NO.

6603

---

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

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. 6603  
Order No. R-6102

APPLICATION OF CONOCO INC.  
FOR DOWNHOLE COMMINGLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

Now, on this 10th day of September, 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, Conoco Inc., is the owner and operator of the Hawk B-1 Well No. 12, located in Unit O of Section 8, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Penrose Skelly and Eumont production within the wellbore of the above-described well.

(4) That during the course of treatment of the well, the stratum separating the Penrose Skelly and Eumont zones was fractured resulting in the communication of the two zones behind the casing.

(5) That while the communication of said zones behind the casing could be cured by a cement squeeze operation, the applicant fears that the low pressure Eumont gas zone might be permanently lost thereby.

(6) That permitting the Penrose Skelly oil and the Eumont gas zone to be commingled behind the casing could result in the wetting of "dry" gas sands with oil from the Penrose Skelly zone and the irretrievable loss and waste thereof.

-2-

Case No. 6603  
Order No. 6102

(7) That to prevent waste the subject application should be denied.

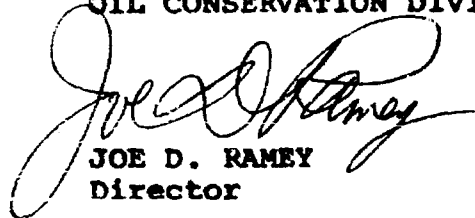
IT IS THEREFORE ORDERED:

(1) That the application of Conoco Inc. to commingle Penrose Skelly oil production and Eumont gas production within the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

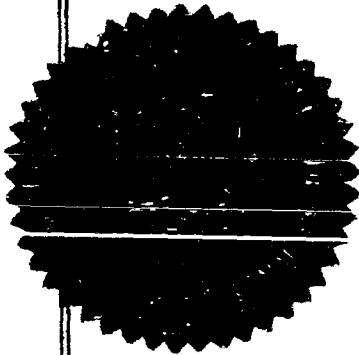
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director



S E A L

og/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

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

Re: CASE NO. 6603  
ORDER NO. R-6102

Applicant:

**Conoco Inc.**

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	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
8 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc. for ) CASE  
downhole commingling, Lea County, ) 6603  
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: W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1010 Plaza Blanca (S95) 471-2462  
Santa Fe, New Mexico 87501

I N D E X

RONALD McWILLIAMS

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	10

E X H I B I T S

Applicant Exhibit One, Application	4
Applicant Exhibit Two, Map	4
Applicant Exhibit Three, Schematic	5
Applicant Exhibit Four, Schematic	5
Applicant Exhibit Five, Log	6
Applicant Exhibit Six, Tabulation	6
Applicant Exhibit Seven, Decline Curve	7

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
10107 Main Street (505) 421-2443  
Santa Fe, New Mexico 87501

1 MR. STANETS: We will call next Case 6603,  
2 being application of Conoco, Inc. for downhole commingling,  
3 Lea County, New Mexico.  
4

5 (Witness sworn.)  
6

7 RONALD McWILLIAMS  
8 being called as a witness and having been duly sworn upon  
9 his oath, testified as follows, to-wit:  
10

11 DIRECT EXAMINATION

12 BY MR. KELLAHIN:

13 Q Would you please state your name, by whom  
14 you're employed, and in what capacity?

15 A My name is Ronald McWilliams. I'm em-  
16 ployed by Conoco, Inc. as Supervising Reservoir Engineer  
17 in Hobbs, New Mexico.

18 Q Mr. McWilliams, would you please summarize  
19 for us what Conoco, Inc. is seeking to accomplish by this  
20 application?

21 A Yes. In June of this year we attempted  
22 to dual complete our Hawk B-1 No. 12, which had formerly  
23 been producing as a Eumont gas single. We were attempting  
24 to dual complete it in the Penrose Skelly-Grayburg zone,  
25 and during stimulation of the Grayburg zone the treatment

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1030 Plaza Blanca (S.E.) 471-2462  
Santa Fe, New Mexico 87501

1 communicated and we now have both zones in communication  
2 behind the pipe.

3 Because of the low reservoir pressure in  
4 the Eumont gas zone and the fact that this is a marginal  
5 well on the edge of the field, we're asking the Commission  
6 to approve downhole commingling of this well in its present  
7 condition. We feel that the risk of repair by squeezing  
8 and attempting to recompleate in the Eumont is such that  
9 it makes this alternative unattractive to us.

10 Q Would you please refer to Exhibit Number  
11 One, identify that exhibit for us?

12 A Exhibit Number One is an application for  
13 multiple completion form giving the zones that are pre-  
14 sently perforated and pertinent data about the proposed  
15 dual completion.

16 Q Sir, would you identify Exhibit Number  
17 Two?

18 A Exhibit Number Two is a map showing the  
19 location of the Hawk B-1 No. 12 and all of the surrounding  
20 wells, plus it also identifies the offset operators.

21 Q What wells are located on this plat?

22 A This shows all the wells in this area.

23 Q Regardless of what the producing formation  
24 is?

25 A Yes.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1030 Plaza Blanca (666) 471-2402  
Santa Fe, New Mexico 87501



1 Q And would you turn to Exhibit Number Three  
2 and describe that exhibit?

3 A Exhibit Number Three is a wellbore schema-  
4 tic showing the condition of the Hawk B-1 No. 12 before  
5 we attempted to dual complete the well in the Penrose Skelly-  
6 Grayburg zone.

7 The Eumont perforations are shown on this  
8 schematic from 3568 to 3695.

9 Q Would you take Exhibit Number Three and  
10 compare it now to Exhibit Number Four?

11 A Exhibit Number Four shows the wellbore  
12 schematic as the well is now completed. It shows the  
13 existing Eumont perfs, the present Grayburg perforations,  
14 and the tubing setting depth in the well.

15 Q Is there any difference in working interest  
16 or royalty ownership between the two zones?

17 A No, this is a Federal lease and the royalty  
18 is common.

19 Q You indicated that the Eumont zone was  
20 at a low reservoir pressure. What is that pressure?

21 A On June of 1978, which was the last shut-  
22 in pressure taken on the well, the well had a measured  
23 wellhead pressure of 120 pounds, and we would estimate that  
24 the existing reservoir pressure is probably 10 pounds less  
25 than that; somewhere around 110 pounds.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1018 Plaza Blanca (999) 471-4405  
San Antonio, New Mexico 87501

1 Bottom hole pressure should be very simi-  
2 lar to that shut-in pressure.

3 Q Will the downhole commingling pose any  
4 problems with regards to the sale of either the gas or the  
5 oil produced from this well?

6 A No. The Eumont gas was previously dedi-  
7 cated to El Paso. Casinghead gas sales go to Getty. We  
8 have contacted El Paso about the problem and they have  
9 agreed to release the dry gas and Getty has agreed to ac-  
10 cept the commingled stream, and all gas will be sold to  
11 Getty.

12 Q Are there any price changes triggered by  
13 the commingling of the product?

14 A No, there will be no change, since this  
15 was old gas price and a recompletion.

16 Q Would you now turn to Exhibit Number Five  
17 and describe that exhibit for us?

18 A Exhibit Number Five is a gamma ray neutron  
19 log in the Hawk B-1 No. 12 in which the top of the Queen  
20 formation and the top of the Grayburg formation have been  
21 marked, and the overall producing intervals of the Eumont  
22 gas zone and the Penrose Skelly oil zone have been identi-  
23 fied.

24 Q Would you describe Exhibit Number Six?

25 A Exhibit Number Six is a tabulation showing

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1038 Plaza Blanca (955) 471-2492  
Santa Fe, New Mexico 87501

1 gas production from our Hawk B-1 No. 12 for the  
2 months.

3 It shows that the well has produced  
4 total of 25,484 Mcf, or an average of approximately 2100  
5 Mcf per month.

6 Q The Eumont gas zone in this well is the only  
7 gas production, is it?

8 A Yes, sir, it is.

9 Q And the Grayburg zone makes oil and gas.

10 A Yes.

11 Q Would you describe Exhibit Number Seven  
12 for us?

13 A Exhibit Number Seven is a decline curve  
14 showing the performance of the Hawk B-1 No. 12 Eumont zone  
15 from 1976 through April of this year, and it also shows  
16 a decline curve -- or trend extrapolated.

17 It would be our recommendation that we use  
18 this extrapolated decline trend as the basis for allocating  
19 gas production.

20 Q Tell me how you propose to allocate the  
21 gas production, Mr. McWilliams.

22 A We would allocate on a -- or recommend  
23 allocation on a percentage basis. As was shown in Exhibit  
24 Six the gas production for the Hawk B-1 No. 12 averaged  
25 about 2100 Mcf per month over the past year. The Hawk B-1

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (996) 471-4402  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (SOS) 471-2463  
Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Q This well is producing gas at a rate of about 100,000 cubic feet per day. This is a very low rate of production for a well of this type. This helps to explain the low average production of 72,000 cubic feet per day for the well. This is what it has been.

A Yes, it is a very low rate of production. Mr. McKilliams.

Q All the oil production would be allocated to the Grayburg zone.

A That's right.

Q And what's the split on the gas production between the Eumont and the Grayburg again?

A We would recommend that 40 percent of the gas production currently being produced from the well be attributed as coming from the Eumont zone.

Q All right.

A We would further recommend that this allocation factor be adjusted semiannually and the method of adjustment would be such so that the gas production from the Eumont stream would approach the decline trend shown on the Exhibit Number Seven.

Q The Eumont gas zone produced in this well is marginal gas production now?

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 3020 Plaza Blanca (S.W.) 471-9482  
 Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A. Yes.

Q. Not

believes it's necessary

zones?

A.

the very eastern

where the sandstone

reservoir character

we feel that if we drill in the area

reperforate and

are not great because of the difficulty

difficulty recovering from the well at that time

that, I think, is the main reason

currently brings about fifty percent of the oil

the remaining volume of the oil is produced from

60 and 90 API.

the production of the oil is not an attractive

is not an attractive investment

the oil is not an attractive investment

would have to abandon the well

A. Yes.

Q. The oil is not an attractive investment

ever oil could be produced from the well

A. Yes.

Q. The oil is not an attractive investment

**SALLY WALTON BOYD**  
 CERTIFIED SHORTHAND REPORTER  
 3020 Plaza Blanca (605) 471-2462  
 Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

...  
 ...  
 ...  
 ...  
 approval of the ...  
 conservation, the ...  
 of correlative rights

A ...  
 ... the introduction  
 of Exhibit One through ...

MR. STAMPS: These exhibits will be ad-  
 mitted.

RECESS EXAMINATION

BY MR. STAMPS:

Q What kind of pressures should you have en-  
 countered, or did you encounter, in the Penrose Skelly zone  
 in this well?

A We haven't measured the pressures in the  
 Penrose Skelly zone as of this time, but there are three  
 wells that have been completed and have produced for several  
 years from the Penrose Skelly zone.

Immediately south of it, Sun's Weatherly  
 No. 5, shown on Exhibit Two, is a Penrose Skelly well. It  
 has recovered 107,000 barrels from that zone.

**SALLY WALTON BOYD**  
**CERTIFIED SHORTHAND REPORTER**  
 3320 Plaza Blanca (605) 471-2462  
 Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**SALLY WALTON BOYD**  
**CERTIFIED SHORTHAND REPORTER**  
 3920 Plaza Blanca (506) 471-2462  
 Santa Fe, New Mexico 87501

1

2

3

4

5

6

7

8

9

10

13

12

13

74

19

10

1

1

1

2

2

2

2

2

2



**SALLY WALTON BOYD**  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25



**SALLY WALTON BOYD**  
**CERTIFIED SHORTHAND REPORTER**  
1020 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

1. *Chlorophyll*

Q. 10. 10. 10.

3

1. *Chlorophyll *a** and *Chlorophyll *b** were determined by the method of Arar and Collins (1971).

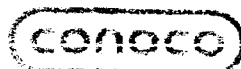
*Journal of Management Education* 30(6)

[illegible]



Continental Oil Company is changing its name to  
**Conoco Inc.**

The new name is effective July 1, 1979.



L. P. Thompson  
Division Manager

John R. Kemp  
Assistant Division Manager

Production Department  
Hobbs Division  
North American Production

Continental Oil Company  
P.O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240  
(505) 393-4141

June 29, 1979

Oil Conservation Division (3)  
Energy and Minerals Department  
State of New Mexico  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey, Director

Gentlemen:

Application to Commingle - Hawk B-1 Well No. 12, Unit "O", Section 8, T-21-S,  
R-37-E, Lea County, New Mexico

Enclosed in triplicate is our application to commingle in the wellbore oil  
production from the Penrose Skelly Grayburg and gas production from the  
Eumont Yates Seven Rivers Queen formations in the Hawk B-1 Well No. 12,  
the location of which is described above.

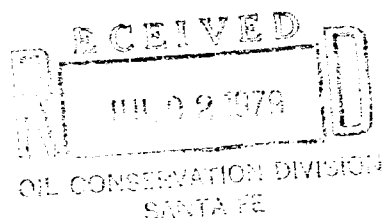
Please set this matter for hearing on the earliest available examiner docket.

Yours very truly,

HAI/JJ

enc

cc w/enc: Mr. Tom Kellahin, Santa Fe  
Mr. V. T. Lyon, Houston



BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR AUTHORITY TO COMMINGLE  
IN THE WELLBORE OIL PRODUCTION FROM THE  
PENROSE SKELLY GRAYBURG AND GAS PRODUCTION  
FROM THE EUMONT YATES SEVEN RIVERS QUEEN  
FORMATIONS IN ITS HAWK B-1 WELL NO. 12,  
LOCATED IN UNIT "O" OF SECTION 8, T-21-S,  
R-37-E, LEA COUNTY, NEW MEXICO.

*Case 6603*

APPLICATION

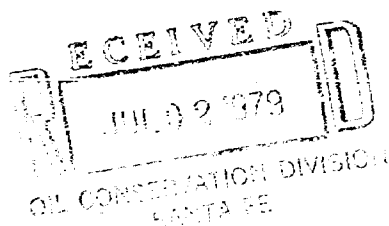
Applicant, CONOCO INC., respectfully requests authority to commingle in the wellbore oil production from the Penrose Skelly Grayburg and gas production from the Eumont Yates Seven Rivers Queen formations in its Hawk B-1 Well No. 12, located in Unit "O" of Section 8, T-21-S, R-37-E, Lea County, New Mexico, and in support thereof would show:

1. Applicant is the operator and co-owner of the Hawk B-1 lease, which in addition to other lands, includes the SE/4 and E/2 SW/4 of Section 8, T-21-S, R-37-E, Lea County, New Mexico.
2. Applicant has heretofore drilled its Hawk B-1 Well No. 12 at a location 660' FSL and 1,980' FEL of Section 8, T-21-S, R-37-E, Lea County, New Mexico, and completed in the Eumont Yates Seven Rivers Queen Gas and Penrose Skelly Grayburg oil zones.
3. That mechanical problems in the wellbore will not permit separation of production.
4. That the producing rate of the Eumont gas zone will not justify the expenditures necessary to correct the mechanical problems.
5. That the granting of this application will result in the prevention of waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Division's duly appointed examiner and, upon hearing, an order be entered authorizing the commingling as described above.

Respectfully submitted,

CONOCO INC.



HAI/jj

By *John R. Kemp*  
JOHN R. KEMP  
Assistant Division Manager of Production  
Hobbs Division



BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR AUTHORITY TO COMMINGLE  
IN THE WELLBORE OIL PRODUCTION FROM THE  
PENROSE SKELLY GRAYBURG AND GAS PRODUCTION  
FROM THE EUMONT YATES SEVEN RIVERS QUEEN  
FORMATIONS IN ITS HAWK B-1 WELL NO. 12,  
LOCATED IN UNIT "O" OF SECTION 8, T-21-S,  
R-37-E, LEA COUNTY, NEW MEXICO.

( 100. 66 63 )

APPLICATION

Applicant, CONOCO INC., respectfully requests authority to commingle in the wellbore oil production from the Penrose Skelly Grayburg and gas production from the Eumont Yates Seven Rivers Queen formations in its Hawk B-1 Well No. 12, located in Unit "O" of Section 8, T-21-S, R-37-E, Lea County, New Mexico, and in support thereof would show:

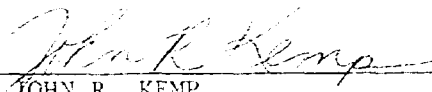
1. Applicant is the operator and co-owner of the Hawk B-1 lease, which in addition to other lands, includes the SE/4 and E/2 SW/4 of Section 8, T-21-S, R-37-E, Lea County, New Mexico.
2. Applicant has heretofore drilled its Hawk B-1 Well No. 12 at a location 660' FSL and 1,980' FEL of Section 8, T-21-S, R-37-E, Lea County, New Mexico, and completed in the Eumont Yates Seven Rivers Queen Gas and Penrose Skelly Grayburg oil zones.
3. That mechanical problems in the wellbore will not permit separation of production.
4. That the producing rate of the Eumont gas zone will not justify the expenditures necessary to correct the mechanical problems.
5. That the granting of this application will result in the prevention of waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Division's duly appointed examiner and, upon hearing, an order be entered authorizing the commingling as described above.

Respectfully submitted,

CONOCO INC.

By

  
JOHN R. KEMP

Assistant Division Manager of Production  
Hobbs Division

HAI/jj





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
8 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc. for ) CASE  
downhole commingling, Lea County, ) 6603  
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: W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1020 Plaza Blanca (606) 471-2462  
Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

# I N D E X

RONALD McWILLIAMS

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	10

# E X H I B I T S

Applicant Exhibit One, Application	4
Applicant Exhibit Two, Map	4
Applicant Exhibit Three, Schematic	5
Applicant Exhibit Four, Schematic	5
Applicant Exhibit Five, Log	6
Applicant Exhibit Six, Tabulation	6
Applicant Exhibit Seven, Decline Curve	7

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (606) 471-2462  
Santa Fe, New Mexico 87501

1 MR. STAMETS: We will call next Case 6603,  
2 being application of Conoco, Inc. for downhole commingling,  
3 Lea County, New Mexico.

4  
5 (Witness sworn.)  
6

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

10  
11 DIRECT EXAMINATION

12 BY MR. KELLAHIN:

13 Q Would you please state your name, by whom  
14 you're employed, and in what capacity?

15 A My name is Ronald McWilliams. I'm em-  
16 ployed by Conoco, Inc. as Supervising Reservoir Engineer  
17 in Hobbs, New Mexico.

18 Q Mr. McWilliams, would you please summarize  
19 for us what Conoco, Inc. is seeking to accomplish by this  
20 application?

21 A Yes. In June of this year we attempted  
22 to dual complete our Hawk B-1 No. 12, which had formerly  
23 been producing as a Eumont gas single. We were attempting  
24 to dual complete it in the Penrose Skelly-Grayburg zone,  
25 and during stimulation of the Grayburg zone the treatment

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3120 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (606) 471-2462  
Santa Fe, New Mexico 87501

1 communicated and we now have both zones in communication  
2 behind the pipe.

3 Because of the low reservoir pressure in  
4 the Eumont gas zone and the fact that this is a marginal  
5 well on the edge of the field, we're asking the Commission  
6 to approve downhole commingling of this well in its present  
7 condition. We feel that the risk of repair by squeezing  
8 and attempting to recomplete in the Eumont is such that  
9 it makes this alternative unattractive to us.

10 Q. Would you please refer to Exhibit Number  
11 One, identify that exhibit for us?

12 A. Exhibit Number One is an application for  
13 multiple completion form giving the zones that are pre-  
14 sently perforated and pertinent data about the proposed  
15 dual completion.

16 Q. Sir, would you identify Exhibit Number  
17 Two?

18 A. Exhibit Number Two is a map showing the  
19 location of the Hawk B-1 No. 12 and all of the surrounding  
20 wells, plus it also identifies the offset operators.

21 Q. What wells are located on this plat?

22 A. This shows all the wells in this area.

23 Q. Regardless of what the producing formation  
24 is?

25 A. Yes.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3120 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

1 Q And would you turn to Exhibit Number Three  
2 and describe that exhibit?

3 A Exhibit Number Three is a wellbore schema-  
4 tic showing the condition of the Hawk B-1 No. 12 before  
5 we attempted to dual complete the well in the Penrose Skelly-  
6 Grayburg zone.

7 The Eumont perforations are shown on this  
8 schematic from 3568 to 3695.

9 Q Would you take Exhibit Number Three and  
10 compare it now to Exhibit Number Four?

11 A Exhibit Number Four shows the wellbore  
12 schematic as the well is now completed. It shows the  
13 existing Eumont perms, the present Grayburg perforations,  
14 and the tubing setting depth in the well.

15 Q Is there any difference in working interest  
16 or royalty ownership between the two zones?

17 A No, this is a Federal lease and the royalty  
18 is common.

19 Q You indicated that the Eumont zone was  
20 at a low reservoir pressure. What is that pressure?

21 A On June of 1978, which was the last shut-  
22 in pressure taken on the well, the well had a measured  
23 wellhead pressure of 120 pounds, and we would estimate that  
24 the existing reservoir pressure is probably 10 pounds less  
25 than that; somewhere around 110 pounds.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (806) 471-2452  
Santa Fe, New Mexico 87501

1 Bottom hole pressure should be very simi-  
2 lar to that shut-in pressure.

3 Q Will the downhole commingling pose any  
4 problems with regards to the sale of either the gas or the  
5 oil produced from this well?

6 A No. The Eumont gas was previously dedi-  
7 cated to El Paso. Casinghead gas sales go to Getty. We  
8 have contacted El Paso about the problem and they have  
9 agreed to release the dry gas and Getty has agreed to ac-  
10 cept the commingled stream, and all gas will be sold to  
11 Getty.

12 Q Are there any price changes triggered by  
13 the commingling of the product?

14 A No, there will be no change, since this  
15 was old gas price and a recompletion.

16 Q Would you now turn to Exhibit Number Five  
17 and describe that exhibit for us?

18 A Exhibit Number Five is a gamma ray neutron  
19 log in the Hawk B-1 No. 12 in which the top of the Queen  
20 formation and the top of the Grayburg formation have been  
21 marked, and the overall producing intervals of the Eumont  
22 gas zone and the Penrose Skelly oil zone have been identi-  
23 fied.

24 Q Would you describe Exhibit Number Six?

25 A Exhibit Number Six is a tabulation showing

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (606) 471-2462  
Santa Fe, New Mexico 87601

1 gas production from our Hawk B-1 No. 12 for the past 12  
2 months.

3 It shows that the well has produced a  
4 total of 25,484 Mcf, or an average of approximately 2124  
5 Mcf per month.

6 Q The Eumont gas zone in this well is a dry  
7 gas production, is it?

8 A Yes, sir, it is.

9 Q And the Grayburg zone makes oil and gas.

10 A Yes.

11 Q Would you describe Exhibit Number Seven  
12 for us?

13 A Exhibit Number Seven is a decline curve  
14 showing the performance of the Hawk B-1 No. 12 Eumont zone  
15 from 1976 through April of this year, and it also shows  
16 a decline curve -- or trend extrapolated.

17 It would be our recommendation that we use  
18 this extrapolated decline trend as the basis for allocating  
19 gas production.

20 Q Tell me how you propose to allocate the  
21 gas production, Mr. McWilliams.

22 A We would allocate on a -- or recommend  
23 allocation on a percentage basis. As was shown in Exhibit  
24 Six the gas production for the Hawk B-1 No. 12 averaged  
25 about 2100 Mcf per month over the past year. The Hawk B-1



SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3110 Plaza Blanca (805) 471-2402  
Santa Fe, New Mexico 87501

1 No. 12 is currently testing about 63 barrels of oil and 115  
2 Mcf of gas from the combined zones.

3 We would recommend an allocation factor  
4 of 60 percent be used to allocate total gas production.  
5 This using 115 Mcf would give the Hawk B-1 No. 12 an average  
6 production of 70 Mcf per day, which is about in line with  
7 what it has been.

8 Q Let me run over the allocation again, Mr.  
9 McWilliams.

10 All the oil produced would be allocated to  
11 the Grayburg zone.

12 A That's right.

13 Q And what's the split on the gas production  
14 between the Eumont and the Grayburg again?

15 A We would recommend that 60 percent of the  
16 gas production currently being produced from the well be  
17 attributed as coming from the Eumont zone.

18 Q All right.

19 A We would further recommend that this al-  
20 location factor be adjusted semi-annually and the method  
21 of adjustment would be such so that the gas production from  
22 the Eumont stream would approach the decline trend shown  
23 on the Exhibit Number Seven.

24 Q The Eumont gas zone produced in this well  
25 is marginal gas production now?

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3120 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

1 A. Yes.

2 Q. Would you summarize for us why Conoco, Inc.  
3 believes it's necessary to commingle production in the two  
4 zones?

5 A. Well, the Hawk B-1 No. 12 is located on  
6 the very eastern edge of the Eumont Gas Pool in an area  
7 where the sands are pinching out, and because of the poor  
8 reservoir characteristics and the tight reservoir expected,  
9 we feel that if we squeeze the zone and then attempt to  
10 reperforate and restimulate the well our chances of success  
11 are not great because of the low permeability and the dif-  
12 ficulty recovering frac fluids after stimulation.

13 Also, the gas is priced at old gas; it  
14 currently brings about Sixty Cents an Mcf and we estimate  
15 the remaining reserves of this well to be somewhere between  
16 60 and 90 MM.

17 So economically squeezing and restimulating  
18 is not an attractive proposition, also.

19 Q. If the application is denied, then, you  
20 would have to abandon the Eumont gas --

21 A. Yes.

22 Q. -- and resign yourself to producing what-  
23 ever oil could be produced out of the Grayburg.

24 A. That's correct.

25 Q. Were Exhibits One through Seven either

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-4463  
Santa Fe, New Mexico 87501

1 prepared by you or compiled under your direction and super-  
2 vision?

3 A Yes, they were.

4 Q In your opinion, Mr. McWilliams, will  
5 approval of the application be in the best interests of  
6 conservation, the prevention of waste, and the protection  
7 of correlative rights?

8 A Yes, it would.

9 MR. KELLAHIN: We move the introduction  
10 of Exhibits One through Seven.

11 MR. STAMETS: These exhibits will be ad-  
12 mitted.

13  
14 CROSS EXAMINATION

15 BY MR. STAMETS:

16 Q What kind of pressures should you have en-  
17 countered, or did you encounter, in the Penrose Skelly zone  
18 in this well?

19 A We haven't measured the pressures in the  
20 Penrose Skelly zone as of this time, but there are three  
21 wells that have been completed and have produced for several  
22 years from the Penrose Skelly zone.

23 Immediately south of it, Sun's Weatherly  
24 No. 5, shown on Exhibit Two, is a Penrose Skelly well. It  
25 has recovered 107,000 barrels from that zone.

1 And then the southwest offset, Texaco's  
2 Mittie Weatherly No. 3 has produced about 17,500 barrels  
3 out of the Penrose Skelly zone.

4 And to the southeast, Conoco's Lockhart A-  
5 17 and 4 has been producing from the Penrose Skelly zone  
6 and it produced about 35,000 barrels as of the first of  
7 the year.

8 So because of the drainage, I would expect  
9 it would be less than original pressure, probably somewhere  
10 in the neighborhood of 6- to 800 pounds.

11 Q And that would be six or seven times the  
12 pressure that is currently being experienced in the Eumont?

13 A It -- we'll have to keep the Penrose Skelly  
14 zone pumped down so that the oil level doesn't rise above  
15 the Eumont perms, so I think if we keep the producing pres-  
16 sure in the wellbore drawn down, why that we ought to be  
17 able to produce some commingled stream.

18 Q Do you have an estimate on the amount of  
19 remaining reserves in the Eumont zone?

20 A I'd estimate approximately 90-million  
21 cubic feet.

22 Q Do you suppose that gas could be produced  
23 from any other well if you accidentally lost your Eumont  
24 zone after working this well over?

25 A I'm not sure where the closest Eumont gas

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 171-2482  
Santa Fe, New Mexico 87501

1 well is. As I say, we're very close to the edge.

2 I would doubt that this gas would be pro-  
3 duced through another wellbore because of the depleted state  
4 of the Eumont reservoir and the tight nature of the reser-  
5 voir.

6 Q What would be involved in trying to  
7 separate these two zones?

8 A Well, I think we would have to go in and  
9 attempt to block squeeze between the Grayburg and the  
10 Eumont zones, and, of course, when you do that, very likely  
11 we would end up putting cement on both zones and it pro-  
12 bably would entail, then, if you did that, it would entail  
13 reperforating, restimulating both zones, possibly.

14 The other alternative, I guess, would be  
15 to squeeze the Eumont zone and then attempt to reperforate  
16 and restimulate it.

17 Q This 63 barrels per day current production,  
18 is that on pump?

19 A Yes, it is.

20 Q And is that pumping the well off?

21 A I don't have a current fluid level on the  
22 well, but the well began producing on June 23rd, and at  
23 that time it flowed at a rate of 150 barrels of fluid a  
24 day, 40 percent oil, and then it flowed for approximately  
25 three days before it was placed on the pump and died. And

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-3462  
San Antonio, New Mexico 87501

1 the well started out pumping on July 12th at about 98 bar-  
2 rels a day and has since declined down to 63, so I would  
3 expect that production would continue to decline on it.

4 For example, the best well in the area,  
5 the Sun Weatherly No. 5, is now making 12 barrels of oil a  
6 day.

7 And the southwest offset, the Texaco well,  
8 makes 2 barrels of oil per day out of the Penrose Skelly  
9 reservoir.

10 And our Lockhart A-17 No. 4 makes about  
11 6 barrels of oil per day.

12 So I believe that this high producing rate  
13 will continue to decline.

14 Q The Division was concerned about the fluid  
15 level in this well, we could require periodic surveys, is  
16 that correct?

17 A Yes.

18 Q Okay. Now, getting back to your formula,  
19 you would start out initially assigning 60 percent of the  
20 gas to the Eumont, and then you said semi-annually you  
21 would re-evaluate that.

22 What would you do, re-evaluate that based  
23 on the projection of production shown on Exhibit Number  
24 Seven against the current rate of production?

25 A Yes. The -- well, for example, a current

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3920 Plaza Blanca (505) 471-3482  
Santa Fe, New Mexico 87501

1 GOR from the commingled zones at this time in the well is  
2 running somewhere around 5600.

3 The GOR to the south of us range from  
4 6500 to 28,300, so I expect the gas production to go up,  
5 and in order to properly allocate, why, we'd need to period-  
6 ically re-appraise it, because the gas production from the  
7 Penrose Skelly zone should increase.

8 Q Mr. McWilliams, you indicated that the  
9 Eumont zone was dry and did not produce any condensate.

10 A That is correct.

11 Q If Penrose Skelly oil production was al-  
12 lowed to get into the Eumont zone, would a certain percentage  
13 of that production be lost and never be returned to the  
14 wellbore?

15 A Yes, I believe that there would be a chance  
16 that oil production could be lost.

17 Q Through the wetting in dry sands.

18 A Right, resaturation of the --

19 MR. STAMETS: Are there any more questions  
20 of the witness? He may be excused.

21 Anything further in this case?

22 The case will be taken under advisement.

23  
24 (Hearing concluded.)  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3018 Plaza Blanca (696) 471-4463  
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 the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability, 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. 6603,  
heard by me on 8-7-79 1979.  
Richard L. Smith, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1020 Plaza Blanca (S.B.) 411-4463  
Santa Fe, New Mexico 87501



Dockets Nos. 32-79 and 33-79 are tentatively set for hearing on August 22 and September 5, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - AUGUST 7, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6590: (Continued from July 25, 1979, Examiner Hearing)

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 6612: Application of Gulf Oil 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 thru 16 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 6555: (DE NOVO)

Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osado-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

Upon application of Texas Oil & Gas Corp. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6596: (Continued from July 24, 1979, Commission Hearing)

Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: (Continued from July 24, 1979, Commission Hearing)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 8, 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 6613: Application of Grace Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Smith Ranch Unit Area, comprising 1,600 acres, more or less, of State and federal lands in Township 20 South, Range 33 East.
- CASE 6602: (Continued from July 25, 1979, Examiner Hearing)  
Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 33 C No. 2 Well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, the E/2 NW/4 of said Section 33 to be dedicated to the well.
- CASE 6611: (Continued from July 25, 1979, Examiner Hearing)  
Application of Cabot Corp. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water in the Devonian formation through the perforated interval from 12,156 feet to 12,574 feet in its Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, King Field.
- CASE 6614: Application of Texaco Inc. for the amendment of Order No. R-4442, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4442 to remove the top unit allowable restriction from producing wells in the Vacuum Grayburg San Andres Unit which are offset by "lease line" injection wells.
- CASE 6615: Application of Southland Royalty Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Kutz-Gallup and Basin-Dakota production in the wellbore of its Frontier "E" Well No. 1 located in Unit O of Section 4, Township 27 North, Range 11 West.
- CASE 6616: Application of Watson Treating Plant for an oil treating plant permit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 NW/4 of Section 34, Township 8 South, Range 35 East.
- CASE 6617: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Otero-Gallup production in the wellbore of its Jicarilla 67 Well No. 10 located in Unit M of Section 30, Township 25 North, Range 5 West.
- CASE 6618: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Yates gas pool for its DEPCO Federal Well No. 1 located in Unit D of Section 19, Township 18 South, Range 29 East, and special rules therefor, including 80-acre gas well spacing.
- CASE 6619: Application of Harvey E. Yates Company for an unorthodox well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 62.75-acre non-standard Yates gas proration unit comprising Lots 1 and 2 of Section 19, Township 18 South, Range 29 East, to be dedicated to its DEPCO Federal Well No. 1 drilled 330 feet from the North line and 660 feet from the West line of said Section 19.
- CASE 6620: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Austin Monteith Well No. 1 located in Unit K of Section 8, Township 14 South, Range 36 East.
- CASE 6621: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the S/2 of Section 4, Township 18 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. (This case will be dismissed.)

CASE 6601: (Continued from July 25, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 South, Range 36 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 6622: Application of Adams Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 15, Township 24 South, Range 28 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 6623: Application of Penroc Oil Corporation for approval of infill drilling and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the recompletion in the Morrow formation of its Dero "A" Federal Well No. 1 located in Unit N of Section 35, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6624: Application of Belco Petroleum Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a well to be located in Unit K of Section 31, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6625: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be located 660 feet from the North line and 1315 feet from the East line of Section 30, Township 20 South, Range 27 East, the E/2 of said Section 30 to be dedicated to the well.

CASE 6603: (Continued from July 25, 1979, Examiner Hearing)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6587: (Continued and Readvertised)

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 Kirtland Well No. 4 located 1450 feet from the North line and 595 feet from the West line of Section 18, Township 29 North, Range 14 West.

\*\*\*\*\*

Docket No. 31-79

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 15, 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 September, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for September, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Dockets Nos. 29-79 and 31-79 are tentatively set for hearing on August 8 and 22, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - JULY 24, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6596: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

\*\*\*\*\*

Docket No. 28-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1979

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

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

CASE 6545: (Continued from June 27, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6598: Application of Gulf Oil Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbores of its Apache Federal Wells No. 8 located in Unit C of Section 8 and No. 9 located in Unit D of Section 17, both in Township 24 North, Range 5 West.

CASE 6599: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fusselman and Montoya production, North Justis Field, in the wellbore of its W. A. Ramsay Well No. 4 located in Unit M of Section 36, Township 24 South, Range 37 East.

CASE 6600: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 10, Township 16 South, Range 27 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 6601: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 South, Range 36 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 6602: Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 33 C No. 2 Well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, the E/2 NW/4 of said Section 33 to be dedicated to the well.

CASE 6603: (This case will be continued to the August 8 hearing.)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6604: Application of Cities Service Company for rescission of Division Order No. R-5921, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-5921 which order provided for the compulsory pooling of all of the mineral interests in the Pennsylvanian formation underlying the S/2 of Section 8, Township 23 South, Range 28 East.

CASE 6605: Application of Estoril Producing 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 the W/2 of Section 15, Township 20 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 15. 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 6564: (Continued and Readvertised)

Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 to be drilled 2310 feet from the North line and 330 feet from the West line of Section 35, Township 16 South, Range 38 East, Knowles-Devonian Pool.

CASE 6606: Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Yates formation in the open-hole interval from 3810 feet to 4169 feet in its State "AA" Well No. 1 located in Unit I of Section 35, Township 21 South, Range 34 East.

CASE 6607: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, to produce oil from the Wolfcamp formation and gas from the Morrow formation through parallel strings of tubing.

CASE 6608: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, and special rules therefor, including 160-acre oil well spacing.

CASE 6609: Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

CASE 6610: Application of Koch Industries, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Rustler formation through the perforated interval from 1190 feet to 1210 feet in its Wills "A" Well No. 7 located in Unit E of Section 35, Township 26 South, Range 37 East, Rhodes Field.

CASE 6611: Application of Cabot Corp. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water in the Devonian formation through the perforated interval from 12,156 feet to 12,574 feet in its Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, King Field.

CASE 6487: (Continued from May 23, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 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.

CASE 6471: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 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.

CASE 6472: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba 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.

CASE 6473: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba 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.

CASE 6474: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 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.

CASE 6475: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 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.

CASE 6535: (Continued from June 13, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6579: (Continued from June 27, 1979, Examiner Hearing)

Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

CASE 6580: (Continued from June 27, 1979, Examiner Hearing) (This case will be continued to the August 22 hearing.)

Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6270: (Continued from July 11, 1979, Examiner Hearing)

In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman 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.

CASE 6590: (Continued from July 11, 1979, Examiner Hearing)

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.



## NEW MEXICO OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator Conoco Inc.		County Lea		Date 7-24-79
Address Box 460, Hobbs, NM 88240		Lease Hawk B-1		Well No. 12
Location of Well	Unit 0	Section 8	Township 21-S	Range 37-E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☒ NO ☐

2. If answer is yes, identify one such instance: Order No. MC-1300 ; Operator, Lease, and Well No.: Conoco Inc. Lockhart A-17 #1

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Eumont Gas	-	Penrose Skelly Grayburg
b. Top and Bottom of Pay Section (Perforations)	3568'-3695'		3773'-3826'
c. Type of production (Oil or Gas)	Gas		Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing		Artificial Lift

4. The following are attached. (Please mark YES or NO)

- ☒ a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- ☒ b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- ☐ c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- ☒ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Gulf Oil Company, Box 670, Hobbs, New Mexico 88240

Sun Oil Company, Box 1861, Midland, Texas 79702

Texaco Inc., Box 3109, Midland, Texas 79702

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION
Conoco EXHIBIT NO. 1
CASE NO. 6603
Submitted by _____
Hearing Date _____

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☐ NO ☒ . If answer is yes, give date of such notification \_\_\_\_\_

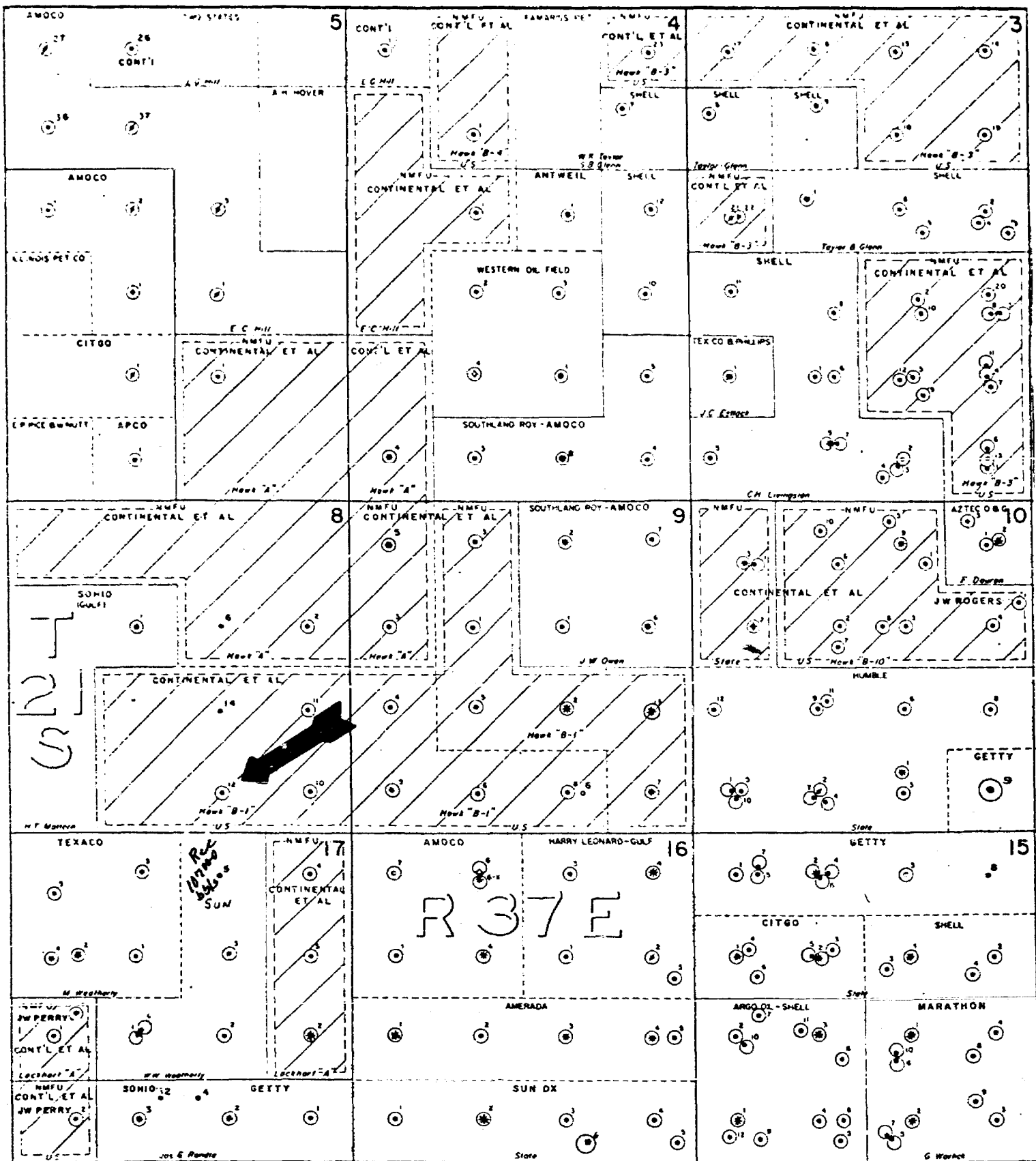
CERTIFICATE: I, the undersigned, state that I am the Assistant Division Mgr. of the Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*John R. Kemp*  
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of





CONTINENTAL OIL COMPANY  
PRODUCTION DEPARTMENT  
HOBBS DISTRICT

HAWK B-1 LEASE

LEA COUNTY, NEW MEXICO

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

Conoco EXHIBIT NO. 2

CASE NO. 6603

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

1" = 2000'

## EXISTING WELLBORE

T. SALT -

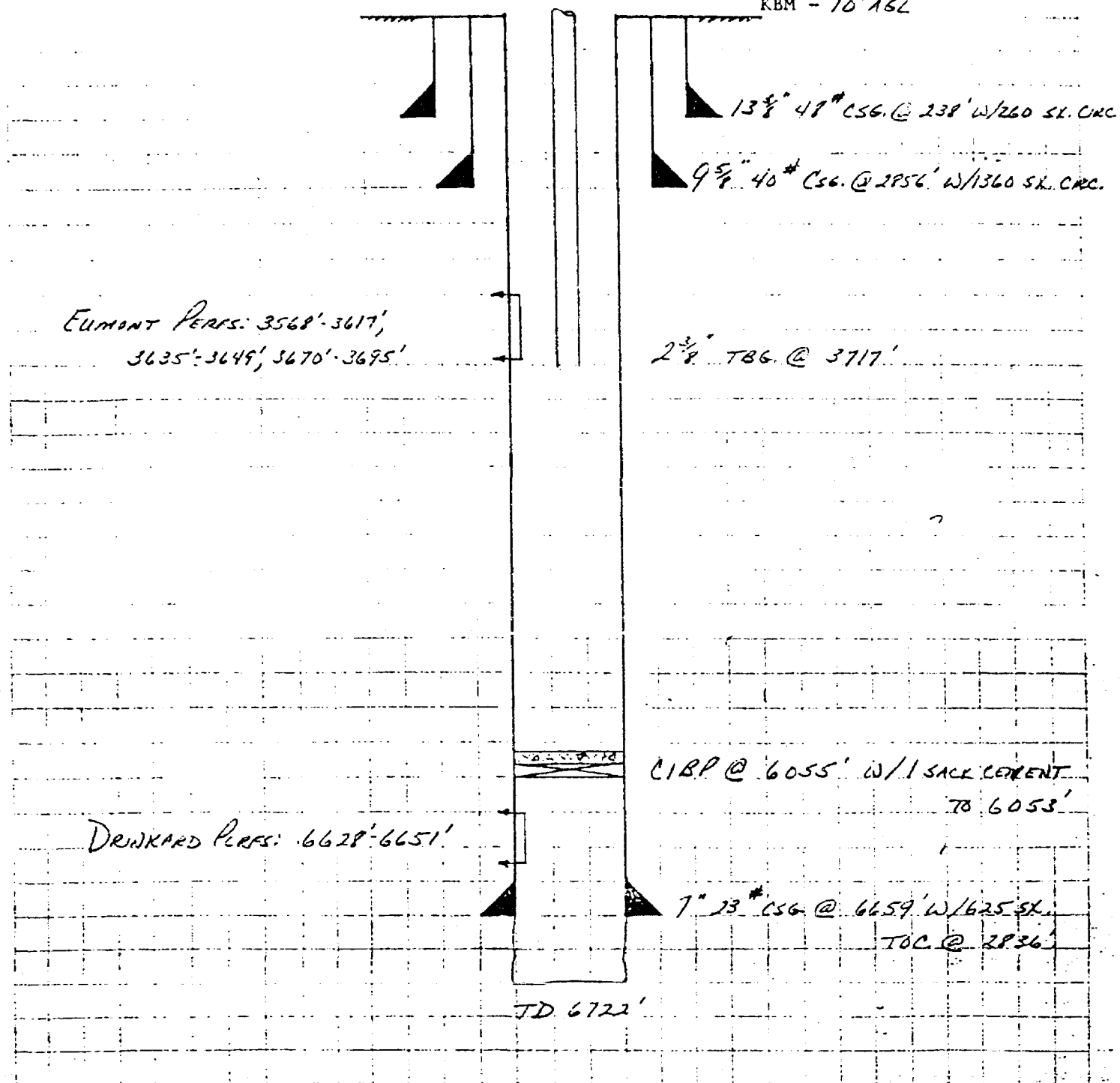
B. SALT -

Sec 6, T-215, R-37E

660' FSL &amp; 1940' FEL

ELEVATION - 3503' GL

KBM - 10' 16L



MADE BY TAB  
 CHECKED BY \_\_\_\_\_  
 DATE 2/1/79  
 PAGE \_\_\_\_\_ OF \_\_\_\_\_

CONTINENTAL OIL COMPANY  
 CALCULATION SHEET

TITLE HAWK B-1 #12

JOB NO. COMPLETED - 10/12/52  
 FIELD \_\_\_\_\_  
 STATE \_\_\_\_\_

## HAWK B-1 #12

T. SALT -

B. SALT -

Sec 8, T-215, R-37E

660' FSL &amp; 1940' FEL

ELEVATION - 3503' GL

KBM - 10' AGL

EUMONT PERFS: 3568'-3617',  
3635'-3649', 3670'-3695'

GRAYBURG PERFS: 3773', 3782', 3790',  
3795', 3810', 3820', 3826' (1 JSPP)

JUNE, 1979 - ACIDIZE W/1500 GALS.  
15% NE-HCl ACID AND  
FRACTURED W/APPROXIMATELY  
20,000 GAL. X-LINKED GEL  
+ 30,000 # "20-40" SAND  
(FRAC COMMUNICATED TO EUMONT)

DRINKER PERFS: 6628'-6651'

13 3/8" 48# CSG @ 238' W/260 SXS CIRC.

9 5/8" 40# CSG @ 2852' W/1360 SXS CIRC.

TOC @ 2836'

S.N. @ 3839'

64 JTS. 2 3/8" 4.7# EUE TEG. O.E.  
@ 3870'

CIBP @ 6055' W/1 SX CEMENT TO 6053'

7" 23# CSG @ 6659' W/625 SXS,

TOC @ 2836'

TD 6722'

Tob

6-27-79

HAWK B-1 #12  
RECOMPLETED TO GRAYBURG

COMPLETED - 10-12-52

0-8-21-37

REPRODUCED BY

West Texas Electrical Log Service

1908 COMMERCIAL STREET  
DALLAS, TEXAS

REFERENCE No A 2096 -D

## LANE RADIOACTIVITY LOG WELLS COMPANY

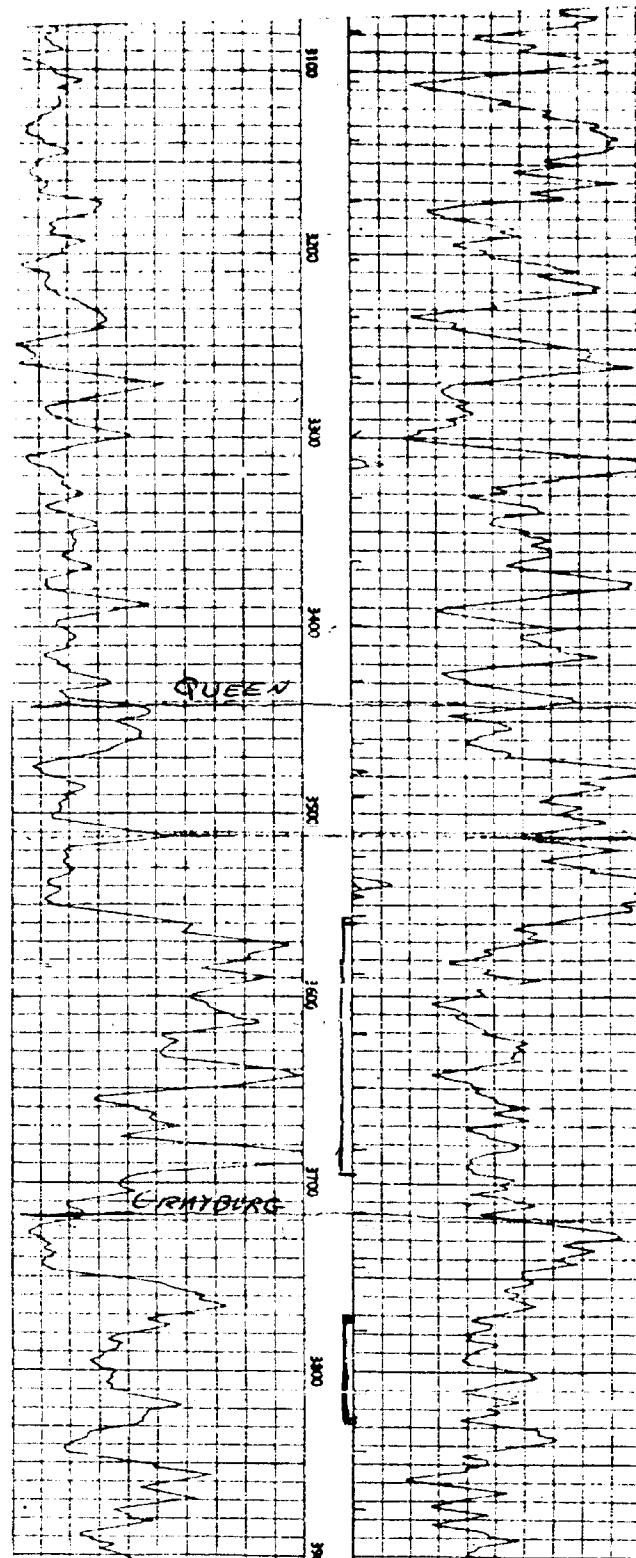
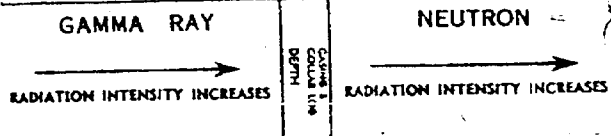
Location of Well: COMPANY: CONTINENTAL OIL COMPANY  
WELL: NAME 8-8-37-12  
FIELD: DELKARD  
COUNTY: LRA STATE N. M.  
LOCATION: 640' FEL - 1060' FEL  
SECTION 8 - 213-37E  
3611' D.P.

LOG MEAS FROM: KELLY DRIVE BUSHING REV. 3613'  
DRUG MEAS FROM: KELLY DRIVE BUSHING REV. 3613'  
PERM. DATUM: T<sup>o</sup> BRADEN HEAD REV. 3608'

TYPE OF LOG	GAMMA RAY	NEUTRON
RUN NO.	1-NV	1-NV
DATE	10-15-52	10-15-52
TOTAL DEPTH (DRILLER) BACK	6722'	6722'
EFFECTIVE DEPTH (DRILLER)	6722'	6722'
TOP OF LOGGED INTERVAL	2400'	2400'
BOTTOM OF LOGGED INTERVAL	6722'	6722'
TYPE OF FLUID IN HOLE	OIL	OIL
FLUID LEVEL	FULL	FULL
MAXIMUM RECORDED TEMP.	600M	600M
NEUTRON SOURCE STRENGTH & TYPE	8.22	8.22
SOURCE SPACING - IN.	9	9
LENGTH OF MEASURING DEVICE - IN.	3 8/8	3 5/8
O.D. OF INSTRUMENT - IN.	8	8.5
TIME CONSTANT - SECONDS	25-40	50-50
LOGGING SPEED FT./MIN.		
STATISTICAL VARIATION - IN.		
SENSITIVITY REFERENCE	874	875
RECORDED BY	STEWART	STEWART
WITNESSED BY	BARBER	BARBER

RUN NO.	BT SIZE	CASING	WT.-LB.	FROM WELL RECORD	FROM R/A LOG
1	2 1/2	9 5/8		30 HP. TO 2850'	30 HP. TO 2850'
1	8 3/4	7		30 HP. TO 6600'	30 HP. TO 6600'
1	8 1/4			TO 6475'	TO 6475'
				TO	TO
				TO	TO

REMARKS OR OTHER DATA



## GAS PRODUCTION HISTORY

HAWK B-1 #12

JUNE, 1978	2,927
JULY	2,478
AUGUST	1,655
SEPTEMBER	2,003
OCTOBER	2,418
NOVEMBER	270
DECEMBER	0
JANUARY, 1979	4,302
FEBRUARY	3,025
MARCH	108
APRIL	2,313
MAY	<u>3,985</u>

TOTAL 25,484 MCF

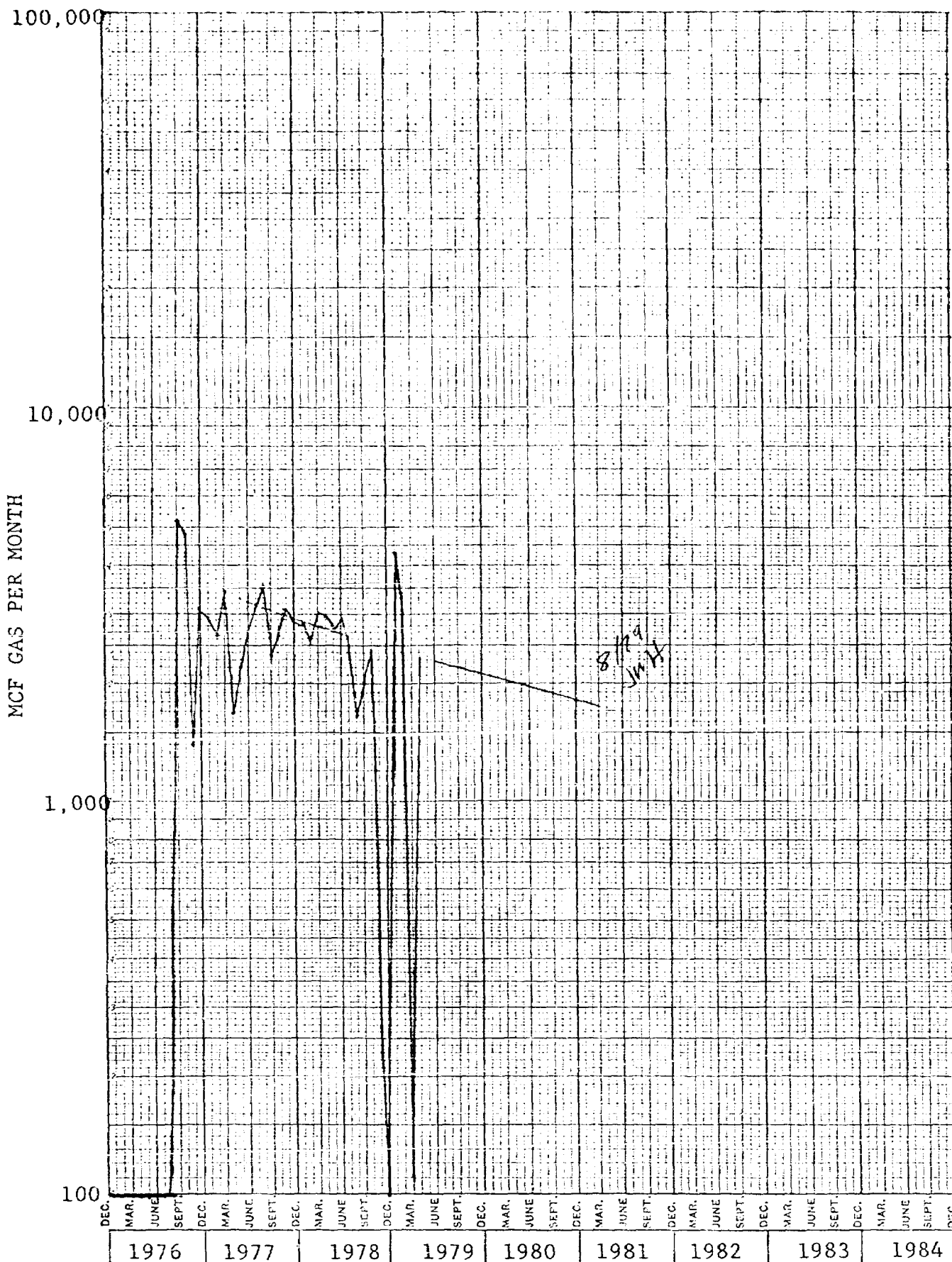
AVG. 2,124 MCF/MO.

HAI/jj  
7/30/79BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISIONCommo EXHIBIT NO. 6CASE NO. 6603

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

EXHIBIT 7  
EUMONT QUEEN GAS POOL  
HAWK B-1 NO. 12



## NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

## APPLICATION FOR MULTIPLE COMPLETION

EXHIBIT NO. 1

5-1-61

Case 6603

Operator Conoco Inc.	County Leon	Date 7-21-79
Address Box 407, Hobbs, NM 88240	Lease Hawk B-1	Well No. 12
Location (Twp. 0, Section 8)	Township 21-S	Range 37-W

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☐ NO ☒

2. If answer is yes, identify one such instance: Order No. 7-1-30, Operator, Lease, and Well No.: Conoco Inc., Lockhart 1-17 #1

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Europt. Gas	-	Penrose Skelly Grayburg
b. Top and Bottom of Pay Section (Perforations)	3568'-3698'		3773'-3826'
c. Type of production (Oil or Gas)	Gas		Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing		Artificial Lift

3. The following are attached. (Please mark YES or NO)

- ☒ a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- ☒ b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- ☐ c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- ☒ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Gulf Oil Company, Box 670, Hobbs, New Mexico 88240

Sun Oil Company, Box 1861, Midland, Texas 79702

Texaco Inc., Box 3109, Midland, Texas 79702

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☐ NO ☒. If answer is yes, give date of such notification.

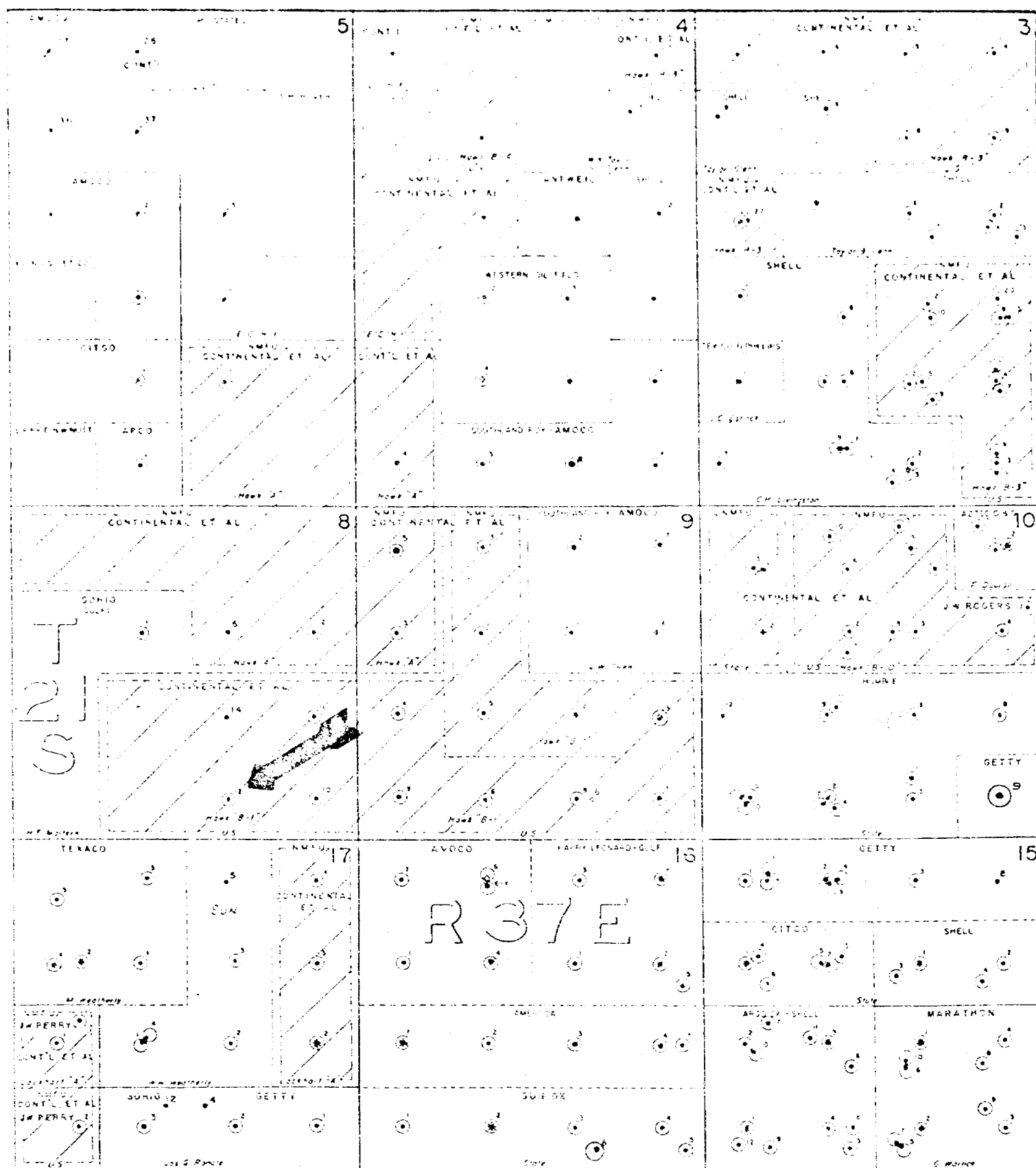
CERTIFICATE: I, the undersigned, state that I am the Assistant Division Mgr. of the Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*John R. Kemp*  
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of

Case 6603



CONTINENTAL OIL COMPANY  
 PRODUCTION DEPARTMENT  
 HOBBS DISTRICT

HAWK B-1 LEASE

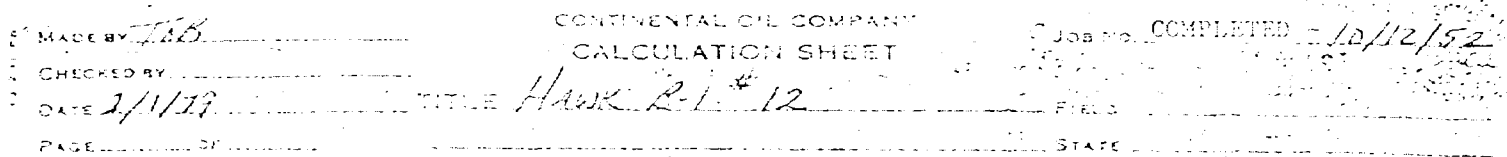
LEA COUNTY, NEW MEXICO

1" = 2000'



At 11:10 p.m. 11/15/00

Shen, C., L. Chen, and J. Wang.  
2003. "The Effect of  
Globalization on the  
Economy of China."  
EPRU 03/04-08.



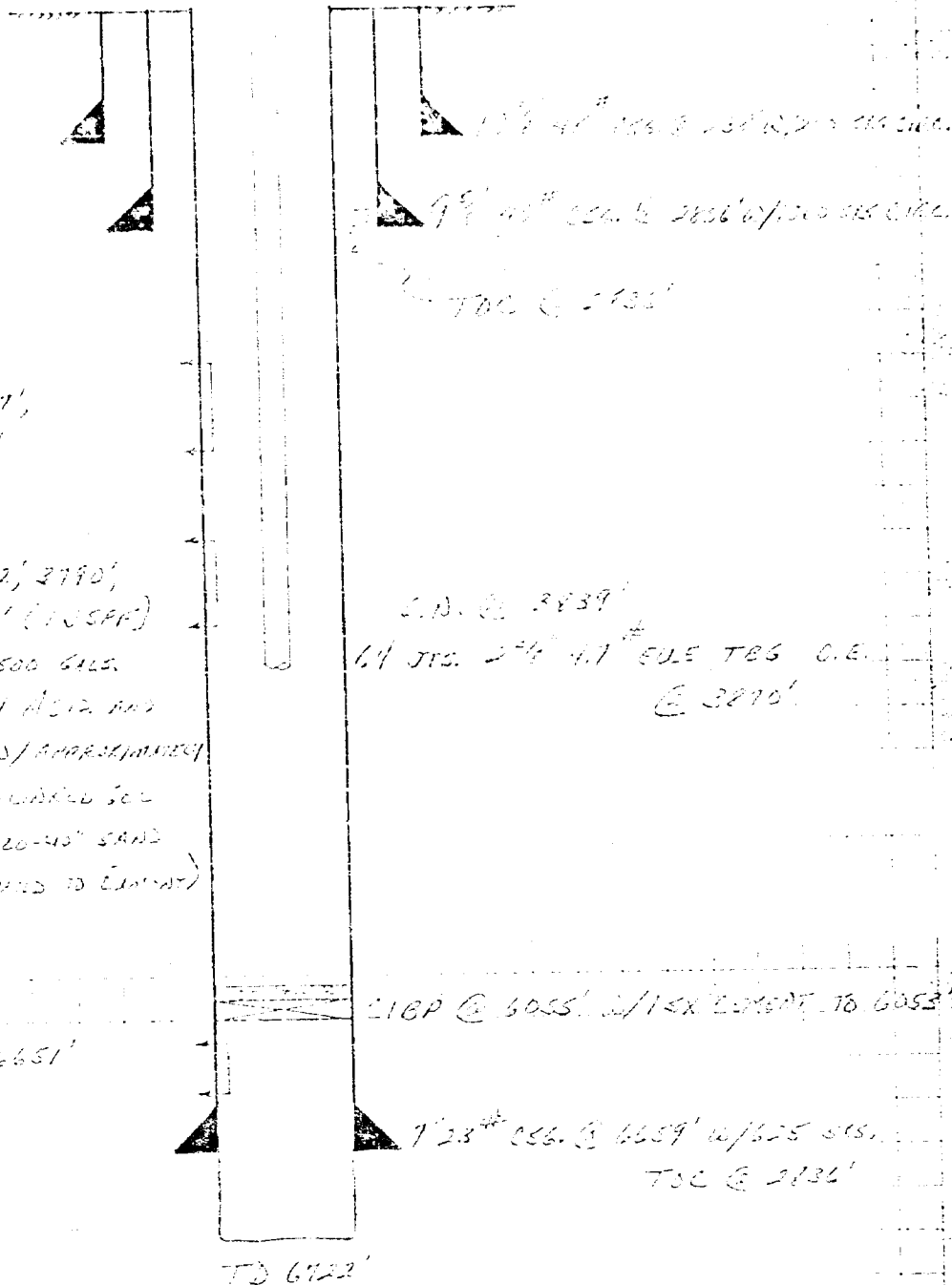
June 21 '12.

Sec 2, Title 2, R-277

600 PCH & 600 PCH.

MEMORANDUM - 2010'66

FM - 10-466.



Grassland Plots: 2772, 2782, 2790,  
2795, 2810, 2820, 2826 (1058 ft)

JUNE, 1979 - 400000 10/1500 GALS.

15% HCl dec. not

THREATS TO APPROPRIATION

20,000 GAL. AVAILABLE SOL

9 30,000<sup>7</sup> 20-40" SAND

(From comments to Editor)

Drinking Water: 6628'-6651'

21BP @ 6055' 2/15X ELEMENT TO 6053'

7'2.3<sup>4</sup> 056.9 6659' w/625 sts.

700 G 2136

TD 6722'

TOR

6-27-79

Hand B-1 #12  
Reconnected to GAYBURE

COMPLETED - 10-12-52

00000000

REFERENCE NY A 2046 -D

[illegible]

REMARKS OR OTHER DATA:

GAMMA RAY

### RADIATION INTENSITY INCREASES

NEUTRON

RADIATION INTENSITY INCREASES

MONTHLY SUMMARY - 1978

(MAY 1978 - MAY 1979)

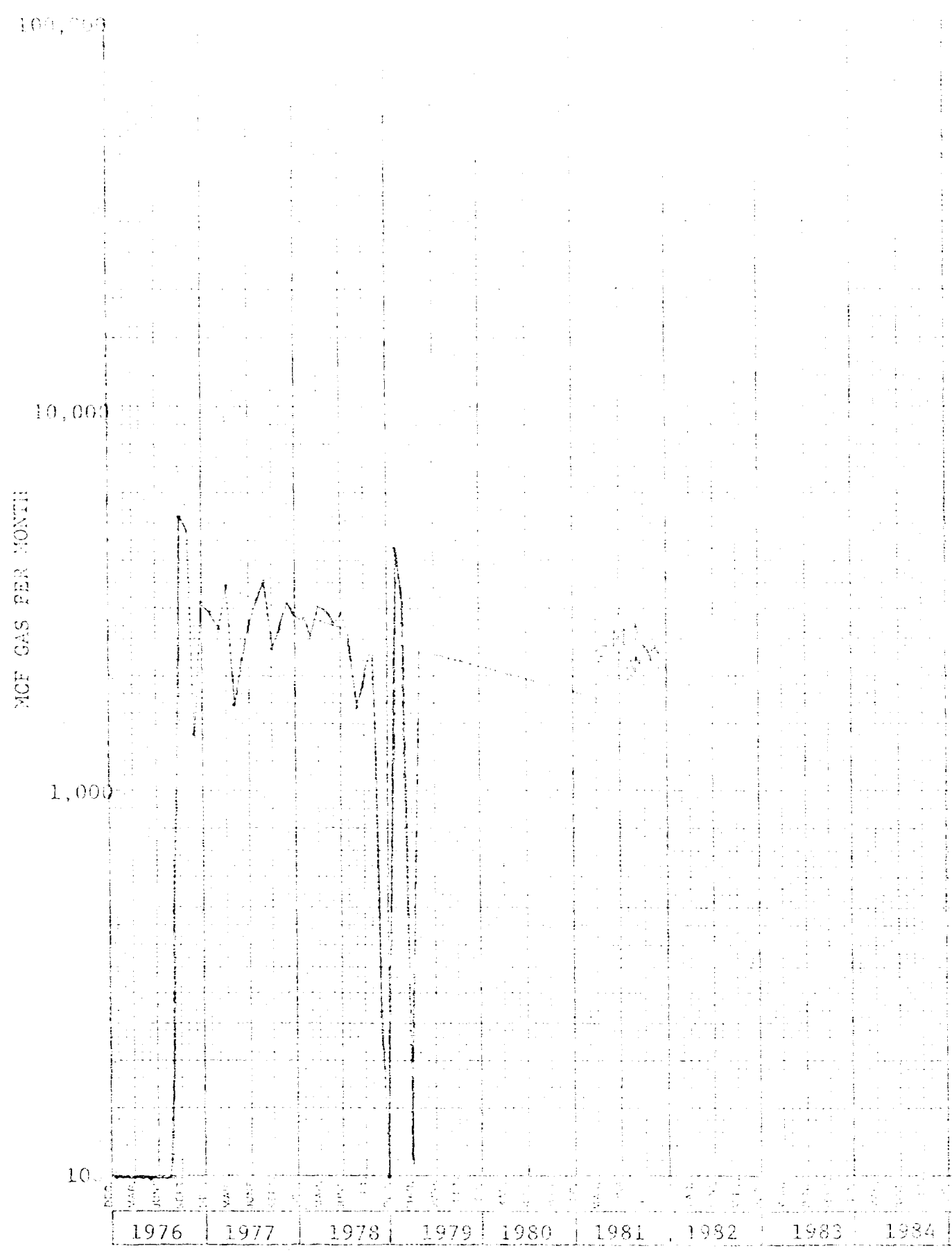
JUNE, 1978	1,177
JULY	2,177
AUGUST	1,678
SEPTEMBER	2,003
OCTOBER	2,418
NOVEMBER	276
DECEMBER	0
JANUARY, 1979	4,302
FEBRUARY	2,023
MARCH	108
APRIL	2,313
MAY	<u>3,985</u>

TOTAL 25,484 MCF

AVG. 2,124 MCF/MO.

HAI/jj  
 7/30/79

EXHIBIT 10  
UNIT: CUMULATIVE GAS PRODUCTION  
DATE: 10/1/83 Case 6603



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

5-1-61  
Case 6603

Operator Conoco Inc. County Lea State N.M.  
Address Box 670, Hobbs, N.M. 88240 Section 14 Township 14N Range 10E  
Well 1 Section 8 Township 14N Range 10E

1. Has the New Mexico Oil Conservation Commission previously authorized the multiple completion of this well in the same zones within one mile of the subject well? YES  
2. If answer is yes, identify one such instance: Order No. NO 11700 Operator Conoco Inc. Well No. 1 Section 8 Township 14N Range 10E

The following facts are submitted:		Proposed	Existing
a. Name of Pool and Formation	<u>Burnt Gas</u>	<u>—</u>	<u>Permian, Trinity, Gypsum</u>
b. Top and Bottom of Pay Section (Perforations)	<u>3563'-3695'</u>	<u>—</u>	<u>3773'-3826'</u>
c. Type of production (oil or gas)	<u>Gas</u>	<u>—</u>	<u>Oil</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>	<u>—</u>	<u>Artificial Lift</u>

3. The following are attached: (Please mark YES or NO)

- ☒ a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameter and setting depth, centralizers and/or turboliners and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameter and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- ☒ b. Plat showing the location of all wells on applicant's lease, all offset wells on other leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- ☐ c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- ☒ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

4. List all offset operators to the lease on which this well is located together with their correct mailing address.

Gulf Oil Company, Box 670, Hobbs, New Mexico 88240

San Oil Company, Box 1861, Midland, Texas 79702

Texaco Inc., Box 3109, Midland, Texas 79702

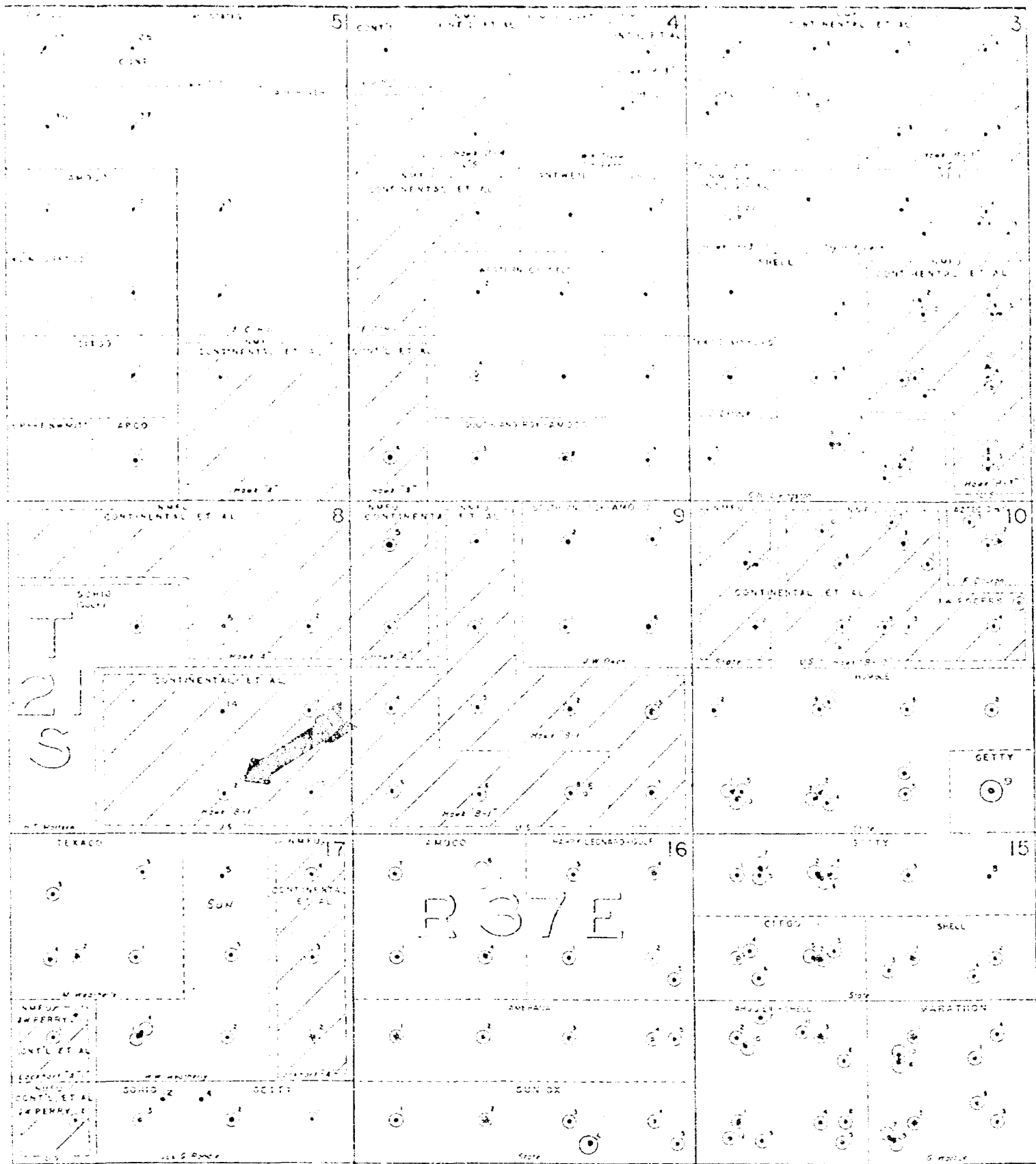
5. Were all operators listed in Item 4 above notified and furnished a copy of this application? YES NO —. If answer is yes, give date of such notification —

CERTIFICATE: I, the undersigned, state that I am the Assistant Division Mgr. of the Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

[Signature]  
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unbalanced well, the applicant must submit a wellbore deviation unit in either or both of



CONTINENTAL OIL COMPANY  
PRODUCTION DEPARTMENT  
HOBBS DISTRICT

HAWK B-1 LEASE

LEA COUNTY, NEW MEXICO

1" = 2000'

Case 6603

Quadrant Diagram

T. SALT -

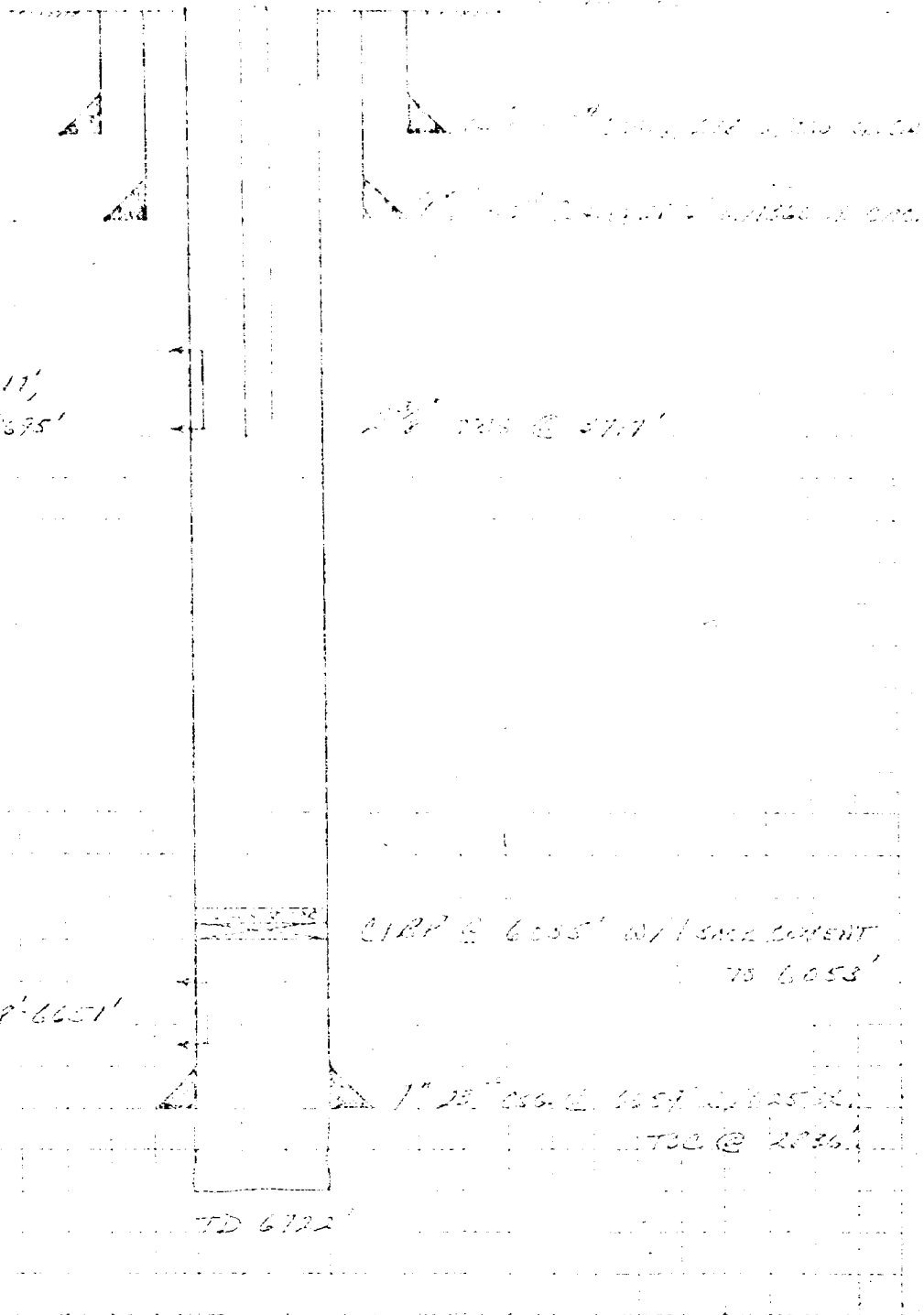
R. SALT -

DEPT. OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

WYOMING

1952



Turnout Point 3562'-3611',  
3635'-3649', 3670'-3695'

2 1/2' turn @ 3717'

Drinking Pond 6628'-6651'

CIRP @ 6055' W/ 50% CORRECTION  
TO 6053'

1" 25' 000' 1059' 2025' 2025'  
TCC @ 2036'

TD 6722'

MADE BY <u>THB</u>	CONTINENTAL OIL COMPANY	JOBS NO. <u>COMPLETED - 10/12/52</u>
CHECKED BY _____	CALCULATION SHEET	
DATE <u>2/1/73</u>	WELL NAME <u>HAWK 21-12</u>	FIELD _____
PAGE _____		STATE _____



Have 21 "in

Loc. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 84



HAWK B-1 #12  
RECOMPLETED TO GRAYBURG

COMPLETED - 10-12-52

EXHIBIT 5  
Case 6603

0-8-21-37  
REPORTED BY  
West Texas Electrical Log Service  
1110 COMMENCE STREET  
DALLAS, TEXAS

REFERENCE No A 2036 -D

# LANE RADIOACTIVITY LOG WELLS COMPANY

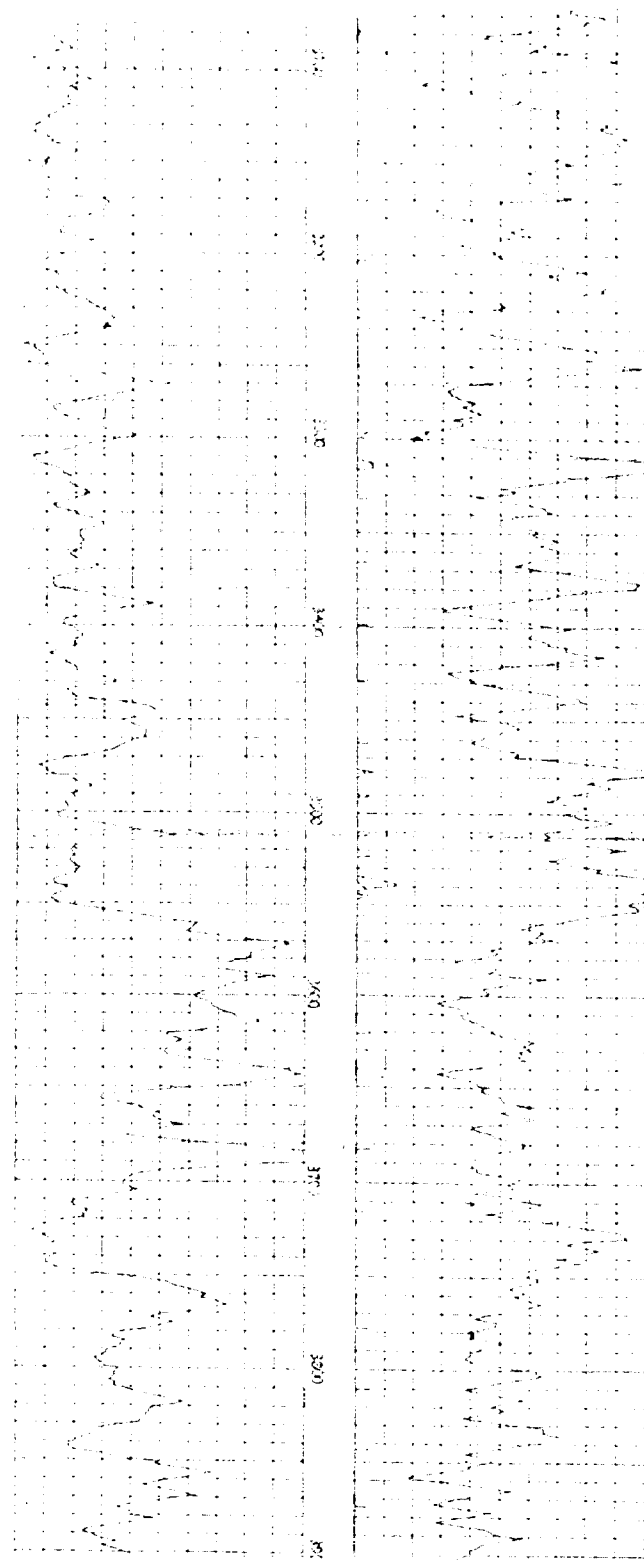
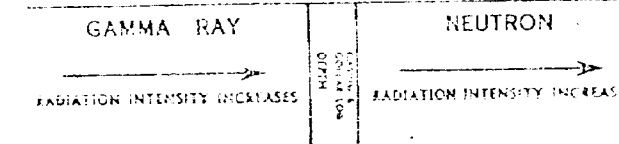
LOCATION OF WELL: COMPANY: QUATREVEUIL OIL COMPANY  
WELL: NAME: B-1 #12  
FIELD: IGLEHARD  
COUNTY: LEA STATE: N. M.  
LOCATION: 660' FRL - 1400' FRL  
SECTION 8 - 215 - 3/4

LOG MEAS FROM: KELLY DRIVE, BUSHING ELEV. 3515'  
ORIG. MEAS FROM: KELLY DRIVE BUSHING ELEV. 3515'  
FORM: DATE: 7" BRASS HEAD (NO. 3302A)

TYPE OF LOG	GAMMA RAY	NEUTRON
RUN NO.	1-37	1-37
DATE	10-13-52	10-13-52
TOTAL DEPTH (FEET) / RANGE	6740'	6740'
EFFECTIVE DEPTH (FEET)	6720'	6720'
TOP OF LOGGING INTERVAL	2400'	2400'
BOTTOM OF LOGGING INTERVAL	6700'	6700'
TYPE OF FLUID IN HOLE	OIL	OIL
FLUID LEVEL	FULL	FULL
MAXIMUM RECORDED TEMP.		62.2
NEUTRON SOURCE STRENGTH & TYPE		0.25
SOURCE SPACING - IN.	36	9
LENGTH OF MEASURING DEVICE - IN.	3 5/8	3 1/8
Q.D. OF INSTRUMENT - IN.	5	2.5
TIME CONSTANT - SECONDS	25-40	50-60
LOGGING SPEED - FT. MIN.		
STATISTICAL VARIATION - IN.	274	275
SENSITIVITY REFERENCE	3 SWAMP	CONCRETE
RECORDED BY	LAUREN	LAUREN
WITNESSED BY		

CASING RECORD			
RUN NO.	DEPTH	CASING	RTIME FROM WELL RECORD
1	14 1/2	9 5/8	SUMP TO 2500'
1	3 3/4	7	SUMP TO 6000'
1	6 1/4		TO 2200'
			TO 2200'
			TO 2200'
			TO 2200'

REMARKS OR OTHER DATA



Case 6603

## GAS PRODUCTION HISTORY

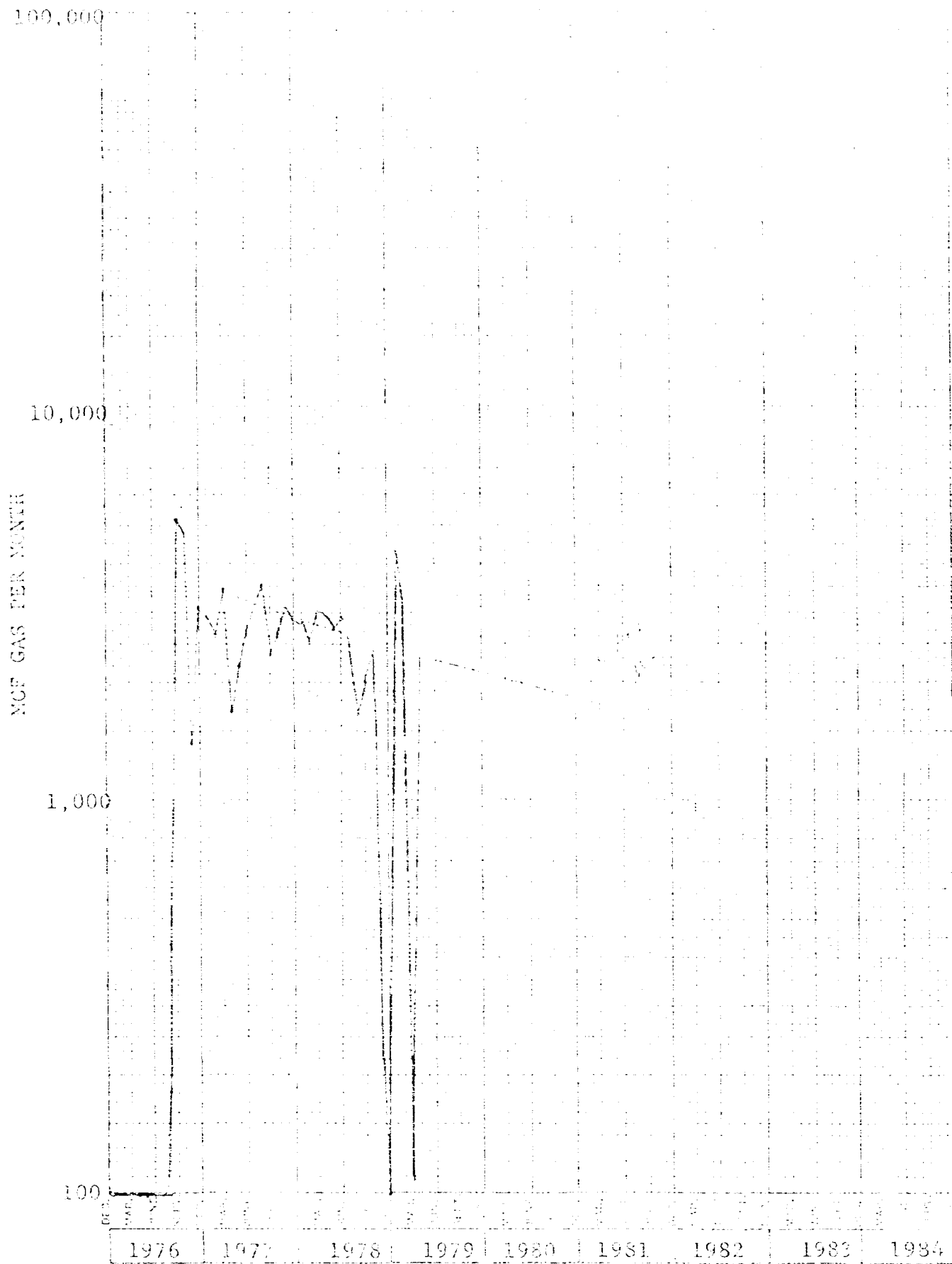
WELL 3-1 212

JUNE, 1978	2,927
JULY	2,475
AUGUST	1,655
SEPTEMBER	2,003
OCTOBER	2,413
NOVEMBER	270
DECEMBER	0
JANUARY, 1979	4,392
FEBRUARY	3,025
MARCH	103
APRIL	2,313
MAY	3,985

TOTAL 25,484 MCF

AVG. 2,124 MCF/MO.

HAI/jj  
7/30/79



# NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

3-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator

Conoco Inc., Dallas, Texas

Address

Box 4001, Midland, Texas

Location

Well

1. Has the New Mexico Oil Conservation Commission been notified of the proposed multiple completion of this well?

Have zones within 100 feet of the surface well?

2. If answer is yes, identify each such zone. (Order New Mexico Oil Conservation Commission, Santa Fe, New Mexico, for form.)

3. The following facts are submitted:

a. Name of Pool and Formation	Midland Basin	3773' - 3826'
b. Top and Bottom of Pay Section (Perforations)	3563' - 3573'	
c. Type of Production (Oil or Gas)	Oil	
d. Method of Production (Flowing or Artificial Lift)	Flowing	Artificial Lift

4. The following are attached. (Please mark Yes or No)

- ☒ a. Diagrammatic Sketch of the Multiple Completion, showing casing strings, tubing diameters and setting depths, centralizers and/or turboliners and location thereof, quantities used and set, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and slide door checkers, and such other information as may be pertinent.
- ☒ b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- ☐ c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.
- ☒ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing addresses.

Gulf Oil Company, Box 670, Hobbs, New Mexico 88240

Sun Oil Company, Box 1861, Midland, Texas 79702

Texaco Inc., Box 4109, Midland, Texas 79702

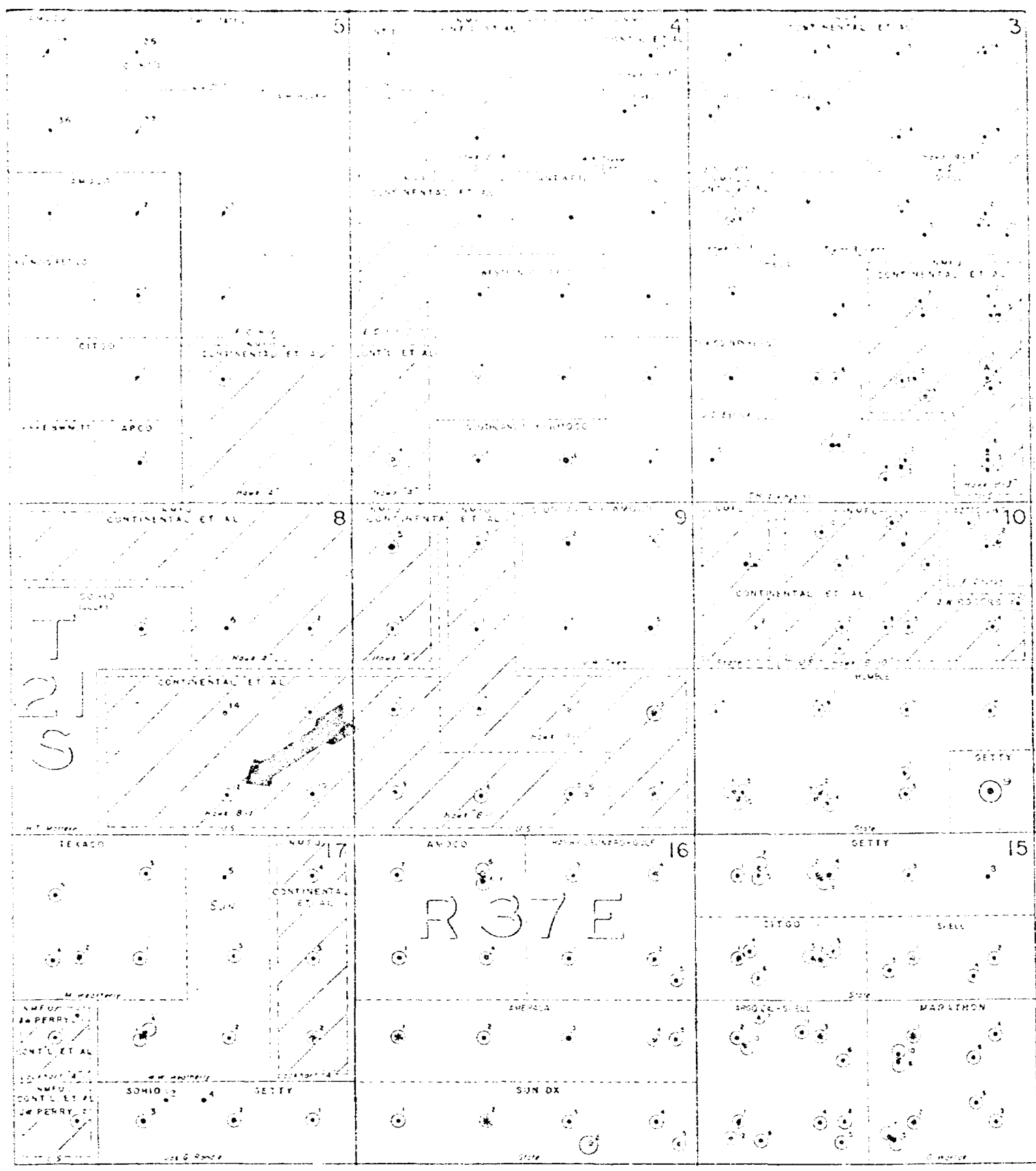
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☐ NO ☒ If answer is yes, give date of such notification

CERTIFICATE: I, the undersigned, state that I am the Assistant Division Mgr. of the Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*[Signature]*  
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in a non-productive well located on a non-susceptible formation, suit in either or both of



CONTINENTAL OIL COMPANY  
PRODUCTION DEPARTMENT  
HOBBS DISTRICT

HAWK B-1 LEASE

LEA COUNTY, NEW MEXICO

1" = 2000'

*Gravel Intersect*

W. SALT -  
N. SALT -

Sec. 1, T-2-S, R-2-E  
100' E. & 100' N.  
ELEVATION - 5100' ±  
RPM - 10' HSL

*Emment Piers: 3565'-3617',  
3625'-3645', 3675'-3695'*

*12 1/2" 45° cone @ 5717' w/ 1000 ST. C.R.  
12 1/2" 45° cone @ 5717' w/ 1000 ST. C.R.*

*2 1/2" TGS @ 5717'*

*Drinking Piers: 6657'-6651'*

*CIRP @ 6055' w/ 1 sack COVENT  
TGS @ 6053'*

*1" 22° cone @ 6659' w/ 1025' ST.  
TGS @ 2836'*

*TD 6722'*

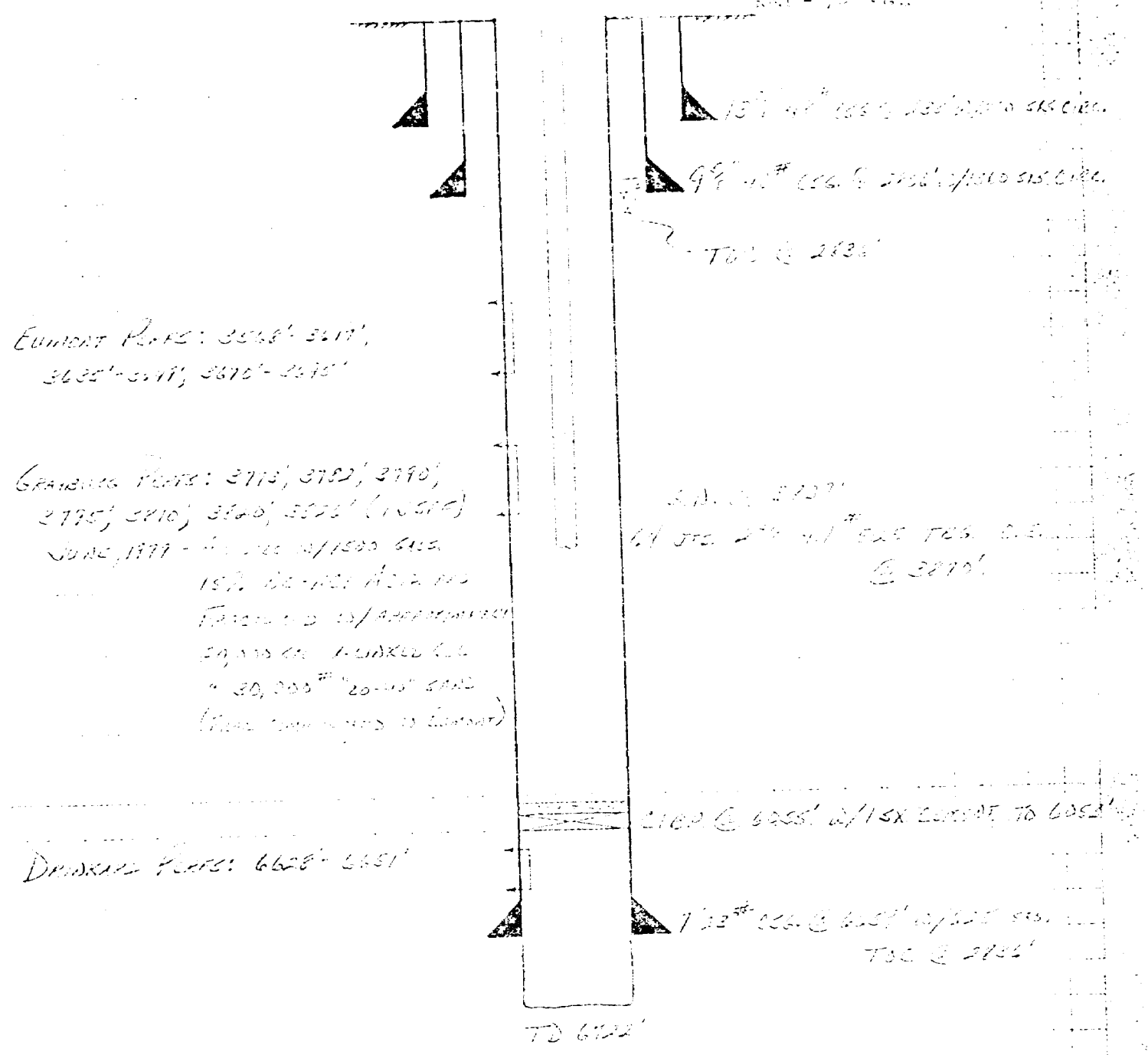
MADE BY: <i>JLB</i>	CONTINENTAL OIL COMPANY	JOHN NO. <i>100</i>	COMPLETED - <i>10/12/52</i>
CHECKED BY: _____	CALCULATION SHEET	DATE: <i>1/1/53</i>	FIELD: _____
TITLE: <i>HAWK R-1 #12</i>		STATE: _____	
PAGE: _____			

1, 2, 3, 4, 5

HAIR B-1

T. SALT -  
B. SALT -

SON 2, T-2, R-270  
60' FSL & 110' FSL  
ELEVATION - 31' 3" 62  
RNI - 10' 42"



EUMONT P-12: 3568'-3577',  
3635'-3644', 3670'-3675'

GRANITE P-12: 3713', 3752', 3790',  
3795', 3810', 3820', 3855' (15510)  
JUNE, 1977 - 15' 42" 1500 GNS  
15' 42" 1500 GNS  
FACED TO 10' 42" 1500 GNS  
20,000 GNS - 10' 42" 1500 GNS  
" 30,000" 20-45" GNS  
(Total 100,000 GNS to 10' 42")

DRINKING P-12: 6658'-6661'

S.A. 1127'  
6' 52" 2' 42" 1500 GNS TO 6' 52" 1500 GNS  
@ 3810'

110' @ 6055' 2/15X 2000' TO 6055'  
7' 32" 1500 GNS @ 6055' 2/15X 2000' 1500 GNS  
TSC @ 2135'

TD 6122'

COMPLETED - 10-12-52

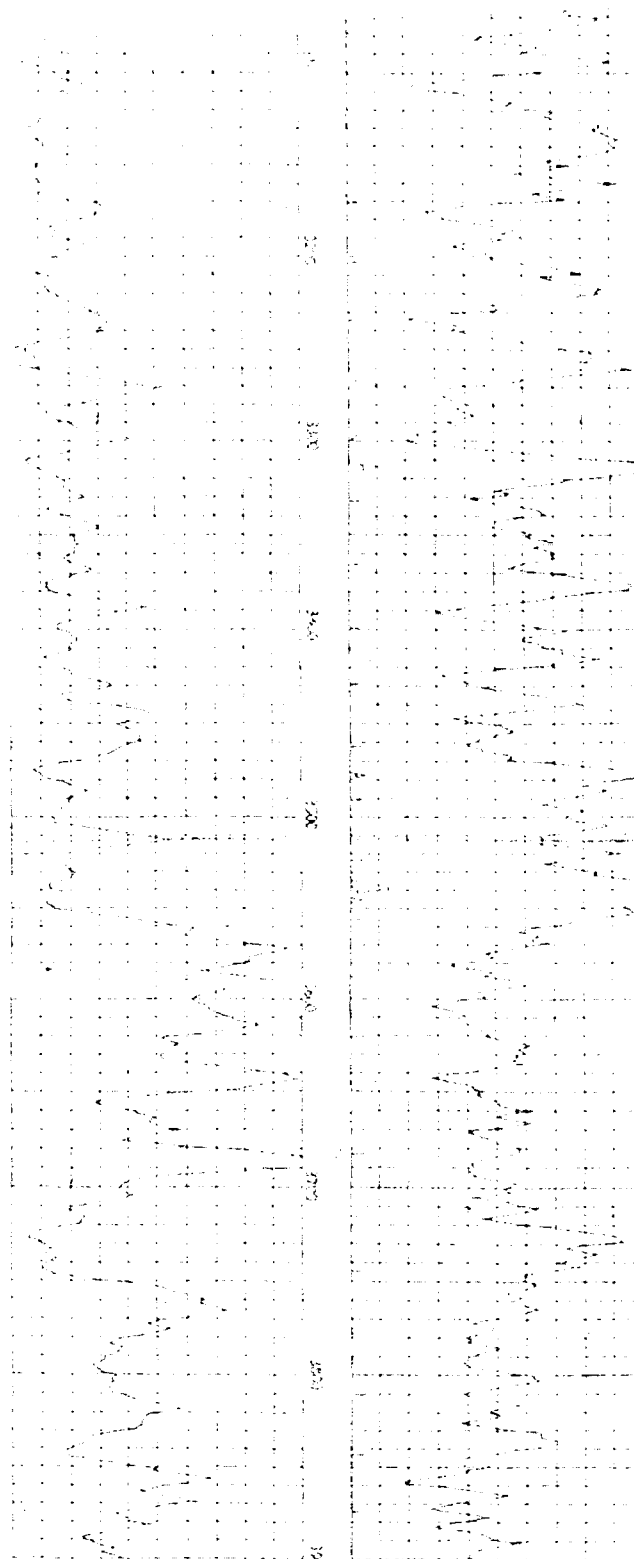
TOR  
6-27-79

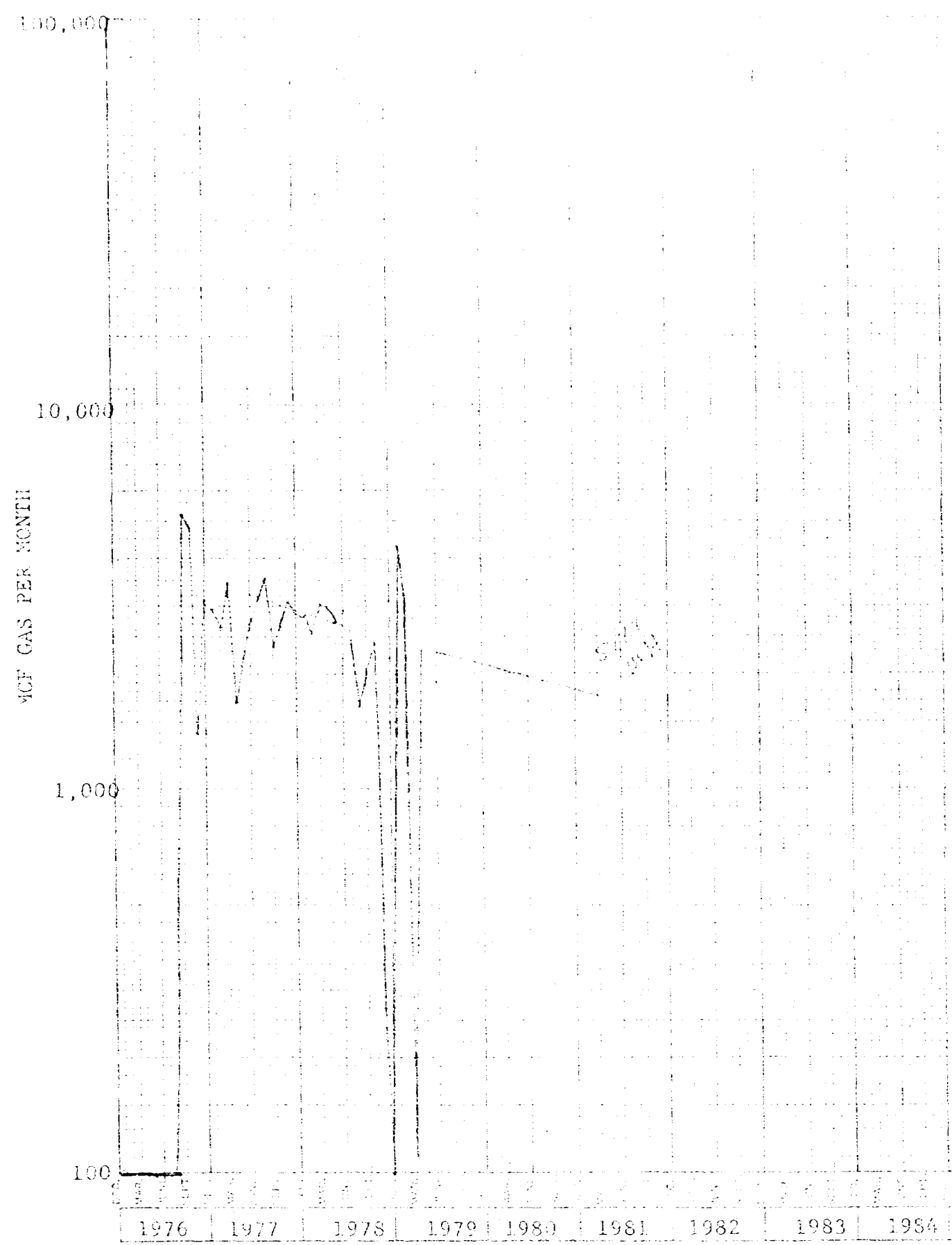
HAIR B-1 #12  
RECOMMENDED TO SAMBURY



REFERENCE N9 A 2036 -D

LANE RADIOACTIVITY LOG WELLS  
COMPANY

[illegible]



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

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco Inc. for downhole ) CASE  
commingling, Lea County, New Mexico. ) 6603

BEFORE: Daniel S. Nutter

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

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3120 Plaza Blanca (606) 471-2462  
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case Number  
2 6603.

3 MR. PADILLA: Application of Conoco, Inc.  
4 for downhole commingling, Lea County, New Mexico.

5 MR. NUTTER: The applicant has requested  
6 the continuance of this case. It will be continued to the  
7 Examiner Hearing scheduled to be held at this same place  
8 at 9:00 o'clock a. m. August the 8th, 1979.

9  
10 (Hearing concluded.)  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

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

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

I do hereby certify that the foregoing is  
a complete and correct transcript of the  
hearing held before the Oil Conservation Division  
on 7/25/79. 6603

[Signature] Examiner  
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco Inc. for downhole ) CASE  
comingling, Lea County, New Mexico. ) 6603

REPORT BY: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (605) 171-2492  
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case Number  
2 6603.

3 MR. PADILLA: Application of Conoco, Inc.  
4 for downhole commingling, Lea County, New Mexico.

5 MR. NUTTER: The applicant has requested  
6 the continuance of this case. It will be continued to the  
7 Examiner Hearing scheduled to be held at this same place  
8 at 9:00 o'clock a. m. August the 8th, 1979.  
9

10 (Hearing concluded.)  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2120 Plaza Blanca (S.O.) 471-2462  
Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of  
Hearing before the Oil Conservation Division was reported  
by me; that said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability, knowledge, and skill, from my notes taken at the  
time of the hearing.

Sally W. Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (S.E.) 471-2403  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6603  
heard by me on 7/25 1979.  
[Signature], Examiner  
Oil Conservation Division



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. 6603

Order No. 6102

APPLICATION OF CONOCO INC.

FOR DOWNHOLE COMMINGLING, LEA

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8,  
19 79, at Santa Fe, New Mexico, before Examiner Richard L.  
Stamets.

NOW, on this        day of August, 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, Conoco Inc., is  
the owner and operator of the Hawk B-1 Well No. 12,  
located in Unit 0 of Section 8, Township 21 South,  
Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle  
Penrose Skelly and Eumont production  
within the wellbore of the above-described well.

(4) That during the course of treatment of the well, the stratum separating the Penrose Skelly and Eumont zones was fractured resulting in the communication of the two zones behind the casing.

(5) That while the communication of said zones behind the casing could be cured by a cement squeeze operation, the applicant fears that the low pressure Eumont gas zone might be permanently lost thereby.

(6) That permitting the Penrose Skelly/<sup>oil</sup>and the Eumont gas zone to be commingled behind the casing could result in the wetting of "dry" gas sands with oil<sup>from the Penrose Skelly zone</sup> and the irretreivable loss and waste thereof.

(7) That to prevent waste the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Conoco Inc. to commingle Penrose Skelly oil production and Eumont gas production within the wellbore of its Hawk B-1 Well No. 12 located in Unit 0 of Section 8, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

(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 herein-above designated.