

CASE 6615: SOUTHLAND ROYALTY COMPANY  
FOR DOWNHOLE COMMINGLING, SAN JUAN  
COUNTY, NEW MEXICO.

CASE NO.

6615

---

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

September 21, 1979

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

Mr. William F. Carr  
Campbell and Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 6615  
ORDER NO. R-6108

Applicant:

Southland Royalty Company

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X  
Artesia OCD X  
Aztec OCD X

Other \_\_\_\_\_  
\_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6615  
Order No. R-6108

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR DOWNHOLE COMMINGLING,  
SAN JUAN 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 19th day of September, 1979, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

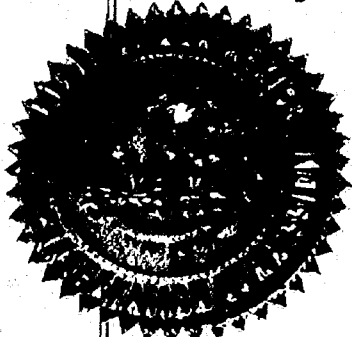
FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 6615 is hereby dismissed.

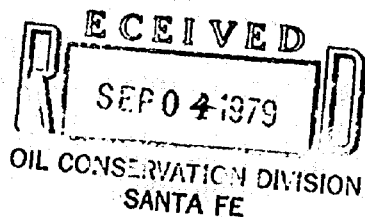
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

SEAL  
fd/



August 29, 1979

Mr. R. L. Stamets  
New Mexico Department of Energy & Minerals  
Oil and Gas Division  
P. O. Box 2088  
Santa Fe, NM 87501

Dear Sir:

Southland Royalty Company requests dismissal of case #6615, request for approval of comingled production, Frontier E#1.

Yours truly,

*CC Parsons*  
Curtis C. Parsons  
District Engineer

CCP/ke

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 Southland Royalty  
Company for downhole commingling,  
San Juan County, New Mexico.

CASE  
6615

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:

William F. Carr, Esq.  
CAMPBELL AND BLACK P. A.  
Jefferson Place  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (505) 471-2442  
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I N D E X

CURTIS PARSONS

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Cross Examination by Mr. Stamets	9

E X H I B I T S

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Applicant Exhibit Five-A, Test	6
Five-B, Test	6

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Page 3

1 MR. STAMETS: We'll call at this time Case  
2 6615, being application of Southland Royalty Company for  
3 downhole commingling, San Juan County, New Mexico.

4 Ask for appearances in this case.

5 MR. CARR: Mr. Examiner, I am William F.  
6 Carr, Campbell and Black, P. A., Santa Fe, appearing on  
7 behalf of the applicant. I have one witness.

8 MR. STAMETS: We would like to have him  
9 stand and be sworn, please.

10  
11 (Witness sworn.)

12  
13 CURTIS PARSONS

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

16  
17 DIRECT EXAMINATION

18 BY MR. CARR:

19 Q Will you please state your name and place  
20 of residence?

21 A I'm Curt Parsons. I live in Farmington,  
22 New Mexico.

23 Q Mr. Parsons, by whom are you employed and  
24 in what capacity?

25 A I'm District Engineer for Southland Royalty



1 Company.

2 Q Have you previously testified before the  
3 Commission, had your credentials accepted and made a  
4 matter of record?

5 A Yes, I have.

6 Q Are you familiar with the application in  
7 this case?

8 A Yes.

9 Q Will you state briefly what Southland  
10 Royalty Company is seeking with this application?

11 A Southland seeks permission to commingle  
12 production from the Gallup and Dakota zones in the Frontier  
13 "E" 1 Well.

14 Q Could you give the Examiner a brief back-  
15 ground history on the subject well?

16 A This is an old well that was drilled by  
17 El Paso Products Company. It was later turned over to  
18 Southland Royalty Company as an operator, and the Gallup  
19 zone has not produced either oil or gas since 1971.

20 The Dakota has continued to produce through  
21 the years at a good commercial rate.

22 I might also point out that the Gallup  
23 is in an essentially abandoned field. The entire field  
24 is not producing.

25 In 1979, earlier this year, the well failed

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1 a packer leakage test, and that's the cause for this action.

2 Q Will you please refer to what has been  
3 marked for identification as Applicant's Exhibit Number  
4 One and explain to the Examiner what it is and what it  
5 shows?

6 A Exhibit Number One just shows outlined in  
7 red the acreage dedicated to this well and the -- it identi-  
8 fies the operators of offset leases, showing that South-  
9 land operates two of the leases and ARCO operates the  
10 other adjoining leases.

11 Q Will you now refer to Exhibit Number Two  
12 and explain this to the Examiner?

13 A Exhibit Number Two is a plat showing the  
14 actual location of the well and indicating that the well  
15 is on a standard location and does not crowd any boundaries.

16 Q And now will you refer to Exhibit Three-  
17 A and summarize this?

18 A Exhibit Three-A is a 9-section plat  
19 showing production of gas from the Dakota formation in the  
20 area. The subject well location is highlighted in red,  
21 showing that this well is essentially an average well in  
22 the area in the Dakota formation.

23 Q Will you now refer to Exhibit Three-B and  
24 explain this to the Examiner?

25 A Three-B shows oil production from the

1 Gallup in this area, again showing that the field is essen-  
2 tially abandoned; that this well did produce a good volume  
3 of oil but has been depleted.

4 Q Now, Mr. Parsons, would you refer to what  
5 has been marked Exhibit Number Four and summarize the in-  
6 formation contained thereon for the Examiner?

7 A Exhibit Number Four is a graph of pro-  
8 duction since 1967 from the well.

9 The black lines show production from the  
10 Gallup and the purple lines show production from the  
11 Dakota.

12 You'll notice on Dakota gas production, it  
13 should be pointed out that the sharp decrease on the last  
14 entry is due to the well only producing 17 says during a  
15 month because of mechanical trouble with the pipeline, so  
16 producability of the well was not impaired during that time.  
17 It's unfortunate that that shows up on the very tail end  
18 of that, but the well was capable of producing at normal  
19 rates during that time.

20 Q Now will you refer to Exhibits Five-A and  
21 Five-B and explain these to the Examiner?

22 A Okay. Exhibit Five-A is the most recent  
23 packer leakage test which was approved for the well. This  
24 was approved in January of 1978.

25 It should be noted that the pressures on

1 the upper zone are on the order of 520 pounds, 523, and as  
2 I said, this test was approved and there was no communication  
3 between zones.

4 Item Five-B, or Exhibit Five-B, is a copy  
5 of a test which was run in June of '79. The well did not  
6 pass this test and there was some communication indicated  
7 between zones; however, it should be noted that at the end  
8 of the 7-days shutin prior to the test, there was still  
9 some difference in the pressures and the pressure on the  
10 shallower completion was essentially the same as it had  
11 been the previous year, indicating that the zone was not  
12 being pressured up by the Dakota zone.

13 Q Mr. Parsons, would you describe for the  
14 Examiner the mechanical condition of the well?

15 A Well has 9-5/8ths surface casing set at  
16 228 feet; 7-inch 23-pound production casing set at total  
17 depth of 6756. There are two strings of 2-3/8ths tubing  
18 in the well and a permanent Model D packer at 6490, accom-  
19 plishing separation of the zones.

20 Q Do you have current gas/oil ratio tests on  
21 the Dakota?

22 A Gas/oil ratio tests are not required on  
23 the Dakota since it is a gas well and there are no current  
24 gas/oil ratio tests on the Gallup zone, since it has not  
25 produced in a number of years.

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1 Q Is the Dakota being -- is it flowing or is  
2 it being artificially lifted?

3 A It's flowing.

4 Q Do you have a recommended percentage of  
5 production to be allocated to each of the zones in the well?

6 A Yes. I recommend that all of the production  
7 from the well be allocated to the Dakota zone.

8 Q Is the ownership common in both Dakota  
9 and the Gallup?

10 A Yes, it is.

11 Q Are the reservoir characteristics of the  
12 pool such that underground waste will not be caused by the  
13 proposed commingling?

14 A Yes, they are.

15 Q In your opinion will the granting of the  
16 application result in increased recovery of hydrocarbons?

17 A Yes.

18 Q And in your opinion will granting the  
19 application be in the interest of conservation, the prevention  
20 of waste, and protection of correlative rights?

21 A Yes.

22 MR. CARR: At this time, Mr. Examiner, we  
23 would offer into evidence Applicant's Exhibits One through  
24 Five-B.

25 MR. STAMETS: These exhibits will be ad-

1 mitted.

2 MR. CARR: And I have nothing further on  
3 direct.

4

5

CROSS EXAMINATION

6

BY MR. STAMETS:

7

Q Mr. Parsons, you said there were two  
8 strings of 2-3/8ths inch tubing. Where are those set?

9

A The Gallup string is set at 6497 and, for  
10 the record, it might be stated that is up-set tubing.

11

Did I say Gallup?

12

Q Yes.

13

A I'm sorry, Dakota at 6497.

14

The Gallup string is set at 6014.

15

Q Have you made any attempt to determine  
16 what cause of communication is in this well?

17

A We suspected that there is a small collar  
18 leak; however, we've not determined that for sure.

19

Q In the Dakota tubing?

20

A Yes.

21

Q Now, Mr. Parsons, there doesn't seem to  
22 be any justification for this commingling on the basis of  
23 more is going to be recovered from either of the two zones  
24 as a result thereof. It looks as though the only reason  
26 for doing this would be the economics of not having to

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1 work the well over.

2 A. Well, essentially this is the primary  
3 reason for approaching it this way; however, there should  
4 be no impairment at all of production from either zone and  
5 while the Dakota zone is capable of about 100 Mcf per day  
6 at old gas prices a workover there would not probably be  
7 the best thing to do economically. It could be done and  
8 could be justified, and would be done if it were necessary  
9 to prevent damage or loss to either of the zones.

10 Q. What would be -- have you made an estimate  
11 of what the workover would cost?

12 A. Yes, it's estimated that cost of the work-  
13 over would be in the neighborhood of \$15,000.

14 Q. Now, subsequent to this packer leakage  
15 test in June of 1979, have you made any other tests to  
16 determine whether or not this is a one-way communication  
17 as it appears to be based on this test?

18 A. We have not done any other testing on the  
19 well; however, the last attempt to flow the Gallup to the  
20 pipeline just resulted in the well dying immediately and  
21 lying there at pipeline pressure and not contributing any  
22 gas to the pipeline.

23 So in the shutin situation with the pres-  
24 sure being -- well, with the shutin situation on the Gallup  
25 and the producing situation in the Dakota, the pressure in

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1 the Dakota tubing is lower than what we would find in the  
2 Gallup until we had this leak, but if the thing won't pro-  
3 duce to the pipeline wide open, it's certainly not going  
4 to contribute any substantial amount through a leak in the  
5 tubing to the Dakota.

6 Also it's highly unlikely, if not impos-  
7 sible, that the Dakota would feed any gas into the Gallup  
8 because shutin conditions bring that pressure higher than  
9 the producing pressure in the Dakota.

10 So essentially there would be no -- no  
11 flow between the zones.

12 Q This 620 pounds that you achieve here,  
13 that's a very unusual pressure on the Dakota.

14 A 620.

15 Q Right, unusual in that this -- this high  
16 pressure is -- is not the normal situation.

17 A For shutin?

18 Q No. In day-to-day operation.

19 A Oh, yes. Yes, that's correct.

20 Q What would that pressure, wellhead pres-  
21 sure normally be ?

22 A The 250, the lower figure there on the  
23 test would be the normal producing pressure.

24 Q How many days out of the year would that  
25 pressure be exceeded, in your opinion?



1 A. One week, normally, required for the  
2 shutin period on the test.

3 And that could be waived by order of the  
4 Commission, and in a commingled situation it normally would  
5 be waived.

6 Q. So in your opinion this workover, regard-  
7 less of what it cost, would be an unnecessary expense on  
8 the well?

9 A. Yes, sir.

10 MR. STAMETS: Any other questions of the  
11 witness?

12 MR. CARR: No further questions.

13 MR. STAMETS: He may be excused.

14 Anything further in this case?

15 We'll take the case under advisement.

16  
17 (Hearing concluded.)  
18  
19  
20  
21  
22  
23  
24  
25

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
 CERTIFY that the foregoing and attached Transcript of  
 Hearing before the Oil Conservation Division was reported  
 by me; that 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. 66151  
 heard by me on 8-8 1979.  
Richard T. [Signature], Examiner  
 Oil Conservation Division

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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 Southland Royalty ) CASE  
Company for downhole commingling, ) 6615  
San Juan County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

For the Applicant: William F. Carr, Esq.  
CAMPBELL AND BLACK P. A.  
Jefferson Place  
Santa Fe, New Mexico 87501

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I N D E X

CURTIS PARSONS

Direct Examination by Mr. Carr

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Cross Examination by Mr. Stamets

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E X H I B I T S

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5

Applicant Exhibit Two, Plat

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Applicant Exhibit Three-A, Plat  
Exhibit Three-B, Plat

5

5

Applicant Exhibit Four, Graph

6

Applicant Exhibit Five-A, Test  
Five-B, Test

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2 Q Have you previously testified before the  
3 Commission, had your credentials accepted and made a  
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12 and explain this to the Examiner?

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15 is on a standard location and does not crowd any boundaries.

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21 showing that this well is essentially an average well in  
22 the area in the Dakota formation.

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24 explain this to the Examiner?

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15 month because of mechanical trouble with the pipeline, so  
16 producability of the well was not impaired during that time.  
17 It's unfortunate that that shows up on the very tail end  
18 of that, but the well was capable of producing at normal  
19 rates during that time.

20 Q Now will you refer to Exhibits Five-A and  
21 Five-B and explain these to the Examiner?

22 A Okay. Exhibit Five-A is the most recent  
23 packer leakage test which was approved for the well. This  
24 was approved in January of 1978.

25 It should be noted that the pressures on

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1 the upper zone are on the order of 520 pounds, 523, and as  
2 I said, this test was approved and there was no communication  
3 between zones.

4 Item Five-B, or Exhibit Five-B, is a copy  
5 of a test which was run in June of '79. The well did not  
6 pass this test and there was some communication indicated  
7 between zones; however, it should be noted that at the end  
8 of the 7-days shutin prior to the test, there was still  
9 some difference in the pressures and the pressure on the  
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11 been the previous year, indicating that the zone was not  
12 being pressured up by the Dakota zone.

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1 Q Is the Dakota being --- is it flowing or is  
2 it being artificially lifted?

3 A It's flowing.

4 Q Do you have a recommended percentage of  
5 production to be allocated to each of the zones in the well?

6 A Yes. I recommend that all of the production  
7 from the well be allocated to the Dakota zone.

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9 and the Gallup?

10 A Yes, it is.

11 Q Are the reservoir characteristics of the  
12 pool such that underground waste will not be caused by the  
13 proposed commingling?

14 A Yes, they are.

15 Q In your opinion will the granting of the  
16 application result in increased recovery of hydrocarbons?

17 A Yes.

18 Q And in your opinion will granting the  
19 application be in the interest of conservation, the prevention  
20 of waste, and protection of correlative rights?

21 A Yes.

22 MR. CARR: At this time, Mr. Examiner, we  
23 would offer into evidence Applicant's Exhibits One through  
24 Five-B.

25 MR. STAMETS: These exhibits will be ad-

1 mitted.

2 MR. CARR: And I have nothing further on  
3 direct.

4  
5 CROSS EXAMINATION

6 BY MR. STAMETS:

7 Q Mr. Parsons, you said there were two  
8 strings of 2-3/8ths inch tubing. Where are those set?

9 A The Gallup string is set at 6497 and, for  
10 the record, it might be stated that is up-set tubing.

11 Did I say Gallup?

12 Q Yes.

13 A I'm sorry, Dakota at 6497.

14 The Gallup string is set at 6014.

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19 Q In the Dakota tubing?

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22 be any justification for this commingling on the basis of  
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25 for doing this would be the economics of not having to

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
8020 Plaza Blanca (606) 471-3462  
Santa Fe, New Mexico 87501

1 work the well over.

2 A Well, essentially this is the primary  
3 reason for approaching it this way; however, there should  
4 be no impairment at all of production from either zone and  
5 while the Dakota zone is capable of about 100 Mcf per day  
6 at old gas prices a workover there would not probably be  
7 the best thing to do economically. It could be done and  
8 could be justified, and would be done if it were necessary  
9 to prevent damage or loss to either of the zones.

10 Q What would be -- have you made an estimate  
11 of what the workover would cost?

12 A Yes, it's estimated that cost of the work-  
13 over would be in the neighborhood of \$15,000.

14 Q Now, subsequent to this packer leakage  
15 test in June of 1979, have you made any other tests to  
16 determine whether or not this is a one-way communication  
17 as it appears to be based on this test?

18 A We have not done any other testing on the  
19 well; however, the last attempt to flow the Gallup to the  
20 pipeline just resulted in the well dying immediately and  
21 lying there at pipeline pressure and not contributing any  
22 gas to the pipeline.

23 So in the shutin situation with the pres-  
24 sure being -- well, with the shutin situation on the Gallup  
25 and the producing situation in the Dakota, the pressure in

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3020 Plaza Blanca (SOS) 471-4462  
Santa Fe, New Mexico 87501

1 the Dakota tubing is lower than what we would find in the  
2 Gallup until we had this leak, but if the thing won't pro-  
3 duce to the pipeline wide open, it's certainly not going  
4 to contribute any substantial amount through a leak in the  
5 tubing to the Dakota.

6 Also it's highly unlikely, if not impos-  
7 sible, that the Dakota would feed any gas into the Gallup  
8 because shutin conditions bring that pressure higher than  
9 the producing pressure in the Dakota.

10 So essentially there would be no -- no  
11 flow between the zones.

12 Q This 620 pounds that you achieve here,  
13 that's a very unusual pressure on the Dakota.

14 A 620.

15 Q Right, unusual in that this -- this high  
16 pressure is -- is not the normal situation.

17 A For shutin?

18 Q No. In day-to-day operation.

19 A Oh, yes. Yes, that's correct.

20 Q What would that pressure, wellhead pres-  
21 sure normally be ?

22 A The 250, the lower figure there on the  
23 test would be the normal producing pressure.

24 Q How many days out of the year would that  
25 pressure be exceeded, in your opinion?

1 A. One week, normally, required for the  
2 shut-in period on the test.

3 And that could be waived by order of the  
4 Commission, and in a commingled situation it normally would  
5 be waived.

6 Q. So in your opinion this workover, regard-  
7 less of what it cost, would be an unnecessary expense on  
8 the well?

9 A. Yes, sir.

10 MR. STAMETS: Any other questions of the  
11 witness?

12 MR. CARR: No further questions.

13 MR. STAMETS: He may be excused.

14 Anything further in this case?

15 We'll take the case under advisement.

16  
17 (Hearing concluded.)  
18  
19  
20  
21  
22  
23  
24  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (SOS) 471-2462  
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.

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

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (G.O.B.) 471-2462  
Santa Fe, New Mexico 87501

Operator Southland Royalty Company Lease Frontier "E" No. #1  
Location  
of Well: Unit 0 Sec. 04 Twp. 27 North Rge. 11 West County San Juan

PRE-FLOW SHUT-IN PRESSURE DATA						
Upper Compl	Hour, date Shut-in	1-15-78	Length of time shut-in	72 Hours	SI press. Tbg. 0 psig Csg. 523	Stabilized? (Yes or No)
Lower Compl	Hour, date Shut-in	1-15-78	Length of time shut-in	72 Hours	SI press. psig Tbg. 678	Stabilized? (Yes or No)

Production rate during test  
Oil: \_\_\_\_\_ BOPD based on \_\_\_\_\_ Bbls. in \_\_\_\_\_ Hrs. \_\_\_\_\_ Grav. \_\_\_\_\_ GOR \_\_\_\_\_  
Gas: \_\_\_\_\_ MCFPD; Tested thru (Orifice or Meter): \_\_\_\_\_

Commenced at (hour, date)**						Zone producing (Upper or Lower):	
Time (hour, date)	Lapsed time since **	Pressure		Prod. Zone Temp.	Remarks		
		Upper Compl.	Lower Compl.				
<div><div>BEFORE EXAMINER STAMETS OIL COMMISSION DIVISION CASE NO. <u>6-A</u> CASE NO. <u>6615</u> Sub No. <u>SOUTH AND</u> hearing <u>AUG. 8, 1977</u></div></div>							

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JAN 30 1978

12M.

Production rate during test  
Oil: \_\_\_\_\_ BOPD based on \_\_\_\_\_ Bbls. in \_\_\_\_\_ Hrs. Grav. DIST. 3 GOR  
Gas: \_\_\_\_\_ MCFPD; Tested thru (Orifice or Meter): \_\_\_\_\_

REMARKS:

I hereby certify that the information herein contained is true and complete to the best of my knowledge.

Approved: JAN 30 1978 19  
New Mexico Oil Conservation Commission

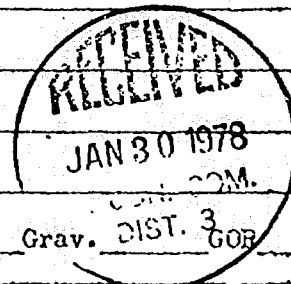
By W. R. Kendrick  
Title SUPERVISOR DIST. #3

Operator Southland Royalty Company

By James H. Smith

Title District Field Foreman

Date January 27, 1978





## NEW MEXICO OIL CONSERVATION COMMISSION

## NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

This form is not to be used for reporting packer leakage tests in Southeast New Mexico

Operator Southland Royalty Company Lease Frontier Well No. E-1  
 Location of Well: Unit 0 Sec. 4 Twp. 27N Rge. 11W County San Juan  
 Type of Prod. (Oil or Gas) Oil Method of Prod. (Flow or Art. Lift) Flow Prod. Medium (Tbg. or Csg.) Tbg.

Upper Completion	Name of Reservoir or Pool	Oil	Art. Lift	Tbg.
	Kutz Gallup	Gas	Flow	Tbg.
Lower Completion	Basin Dakota			

Upper Compl	Hour, date Shut-in	Length of time shut-in	SI press. psig	Csg. 522	Stabilized? (Yes or No)
	6-10-79	72 Hrs.			
Lower Compl	Hour, date Shut-in	Length of time shut-in	SI press. psig	Tbg. 618	Stabilized? (Yes or No)
	6-10-79	72 Hrs.			

Commenced at (hour, date)*		Pressure		Prod. Zone Temp.	Remarks
Time (hour, date)	Lapsed time since*	Upper Compl.	Lower Compl.		
6-11-79		Csg. 518	Tbg. 620		
6-12-79		Csg. 518	Tbg. 608		
6-13-79		Csg. 522	Tbg. 618		
6-14-79	24	Csg. 508	Tbg. 433		
6-15-79	48	Csg. 477	Tbg. 250		

Production rate during test BOPD based on Bbbs. in Hrs. Grav. GOR  
 Oil: MCFPD; Tested thru (Orifice or Meter):  
 Gas: MCFPD; Tested thru (Orifice or Meter):

Upper Compl	Hour, date Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Lower Compl	Hour, date Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)

Commenced at (hour, date)**		Pressure		Prod. Zone Temp.	Remarks
Time (hour, date)	Lapsed time since**	Upper Compl.	Lower Compl.		
		BEFORE P.A. INTR STAMETS			
		OIL CON. DIVISION			
		6615			
		SUMMIT			
		ARMAND			
		Aug. 8, 1979			

Production rate during test BOPD based on Bbbs. in Hrs. Grav. GOR  
 Oil: MCFPD; Tested thru (Orifice or Meter):  
 Gas: MCFPD; Tested thru (Orifice or Meter):

REMARKS: \_\_\_\_\_

I hereby certify that the information herein contained is true and complete to the best of my knowledge.

Approved: Not Approved  
 New Mexico Oil Conservation Commission

By Repair Requested  
 Title S.P.

Operator Southland Royalty Company

By C. C. Parson

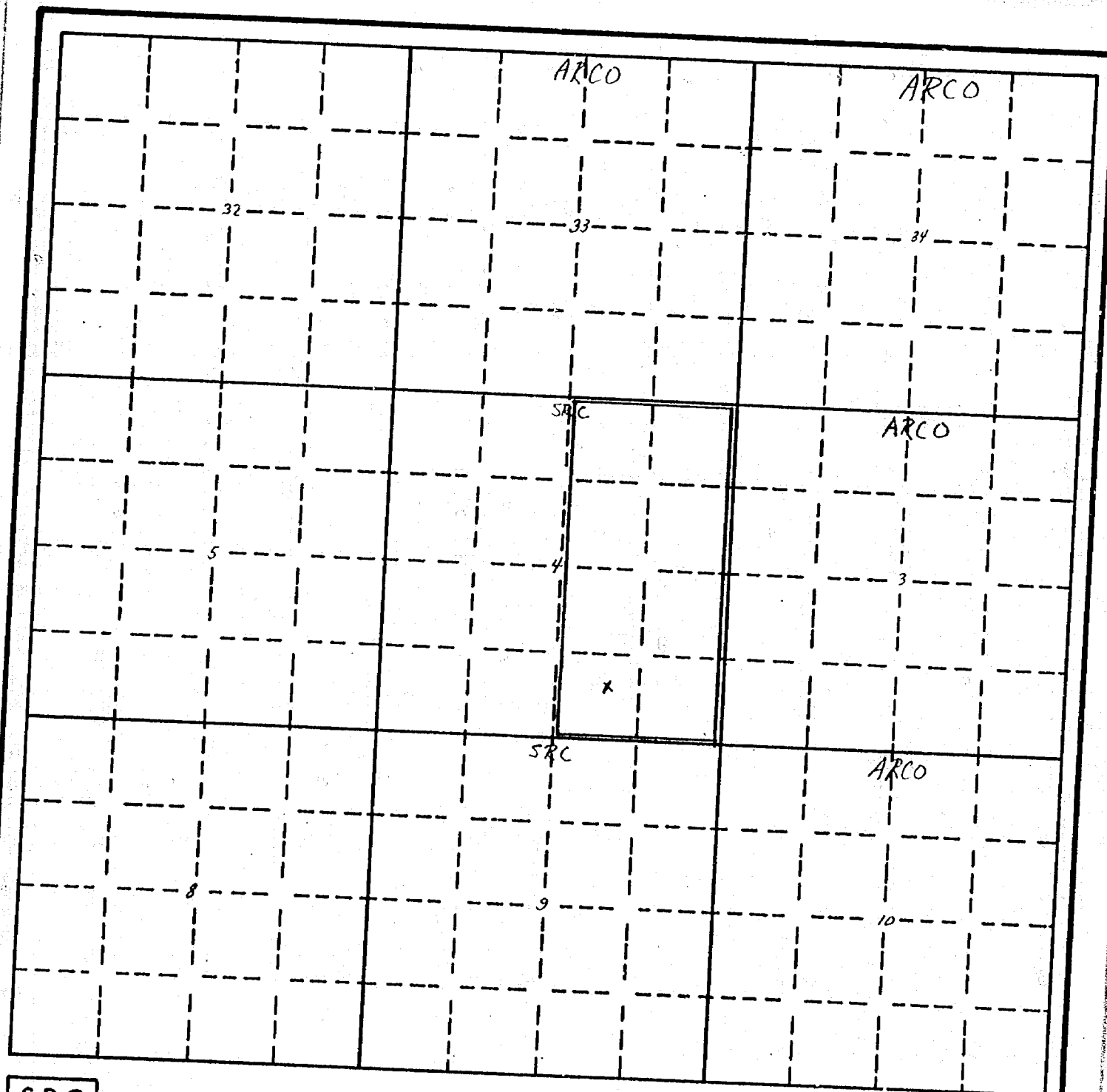
Title District Engineer

Date June 18, 1979

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JUN 19 1979

FARMINGTON DISTRICT



S.R.C.

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 6615

Submitted by SOUTHLAND

Hearing Date AUG. 8, 1979

SOUTHLAND ROYALTY COMPANY

AREA

Frontier E-1

LOCATION

SE 4-27-11

TYPE OF MAP

Offset Operators

CONTOURED

BY

DATE

REVISED BY

DATE

REFERENCE

DATE

NOTES

### Well Location and Acreage Dedication Plat

Section A.

Date May 20, 1960

Operator El Paso Natural Gas Products Company Lease Frontier Pool Unit "B" (GD) NM-048567  
Well No. 1-B (GD) Unit Letter O Section 4 Township 27 North Range 11 West NMPM  
Located 790 Feet From South Line, 1850 Feet From East Line  
County San Juan G. L. Elevation 6179 Dedicated Acreage 40 Acres  
Name of Producing Formation Gallup Pool Undesignated

- Name of Producing Formation Gardner 1981
1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes \_\_\_\_\_ No X
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No \_\_\_\_\_. If answer is "yes,"  
Type of Consolidation Operating Agreement
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION Land Description	
	EXHIBIT NO. <u>2</u>	
	CASE NO. <u>6615</u>	
	Submitted by <u>Southland</u>	
	Hearing Date <u>Aug. 8, 1979</u>	

## Section. B

SECTION: B

ORIGINAL

Sec 4

NM-048567

790

1850

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

**El Paso Natural Gas Products Co.**  
(Operator)

SIGNED BY: WILLIAM K. GLAZENER  
(Representative)

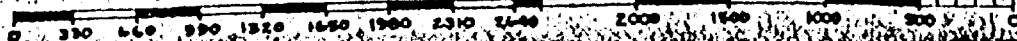
Box 1565, Farmington, New Mexico  
Address

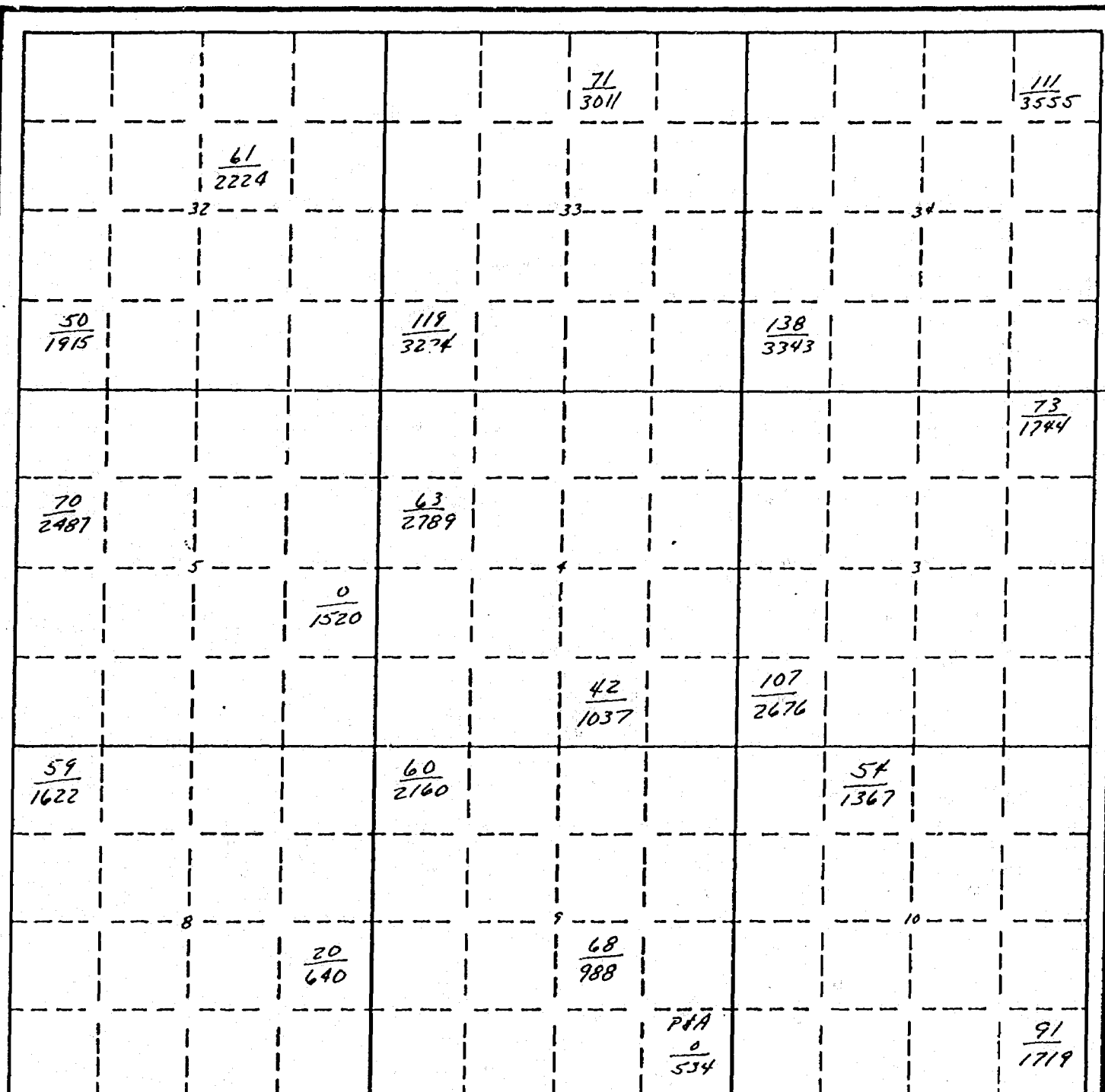
This is to certify that the well located and situated plat in section 8 was surveyed from field notes, actual surveys made by me or under my supervision and that the same is true and reliable to the best of my knowledge and belief.

Date Surveyed May 13, 1960

Ernest V. Echohawk  
Registered Land Surveyor.

Certificate No. 1545



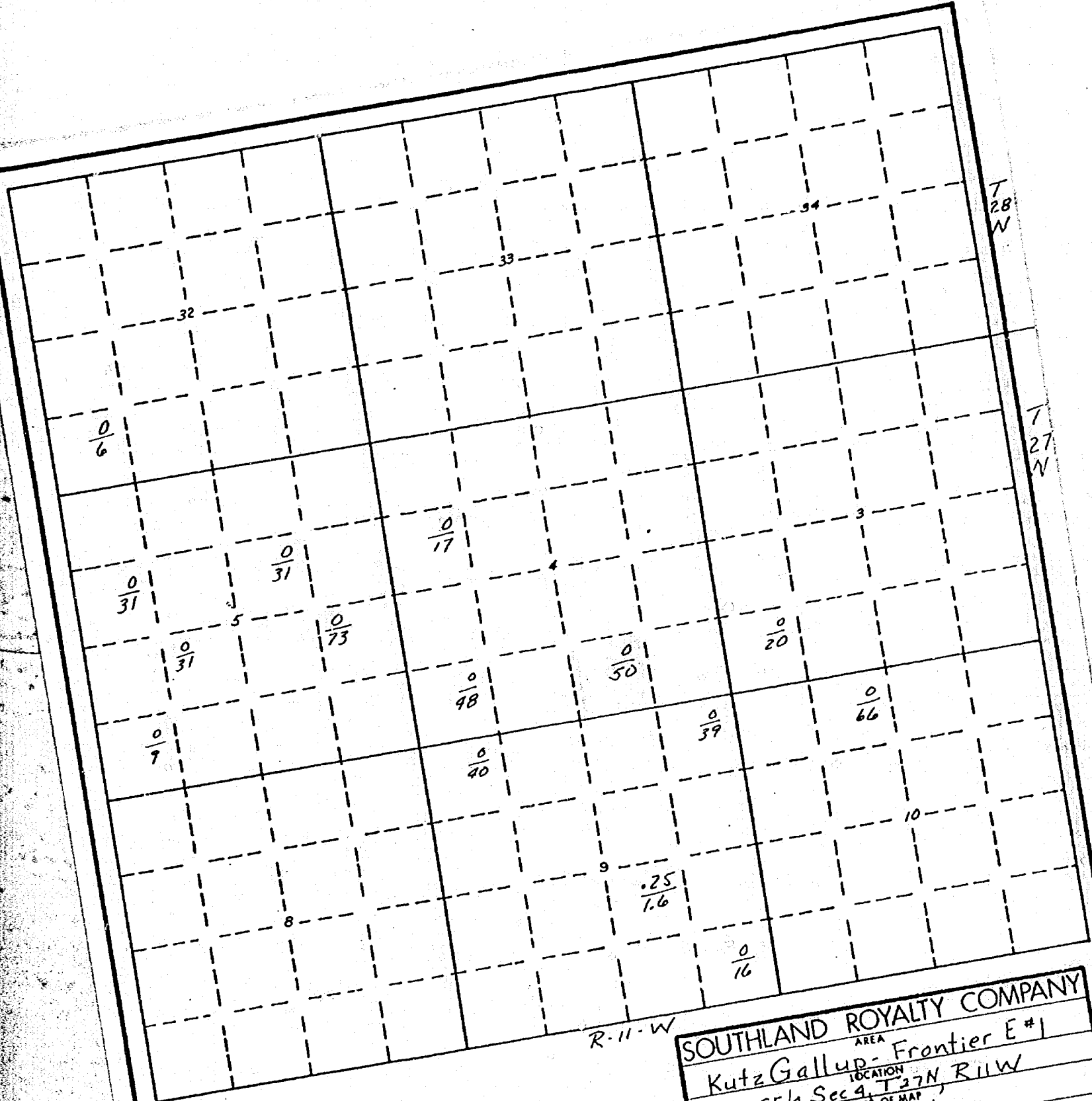


T  
28  
N  
  
T  
27  
N

S.R.C.

XXX MMCF gas 1978.  
 XXXX MMCF gas cum 12/78  
 BEFORE EXAMINER STAMETS  
 OIL CONSERVATION DIVISION  
 EXHIBIT NO. 3-A  
 C.A. E.O. 6615  
 Submitted by SOUTHLAND  
 Hearing Date Aug. 8, 1979

SOUTHLAND ROYALTY COMPANY					
AREA Basin Dakota - Frontier E#1					
LOCATION SE 1/4 Sec 4, T27N, R11W					
TYPE OF MAP Gas Production					
CONTOURED	C.I.				
BY CCP	DATE	REVISED BY	DATE	REFERENCE	DATE 6-25-79
NOTES					



S.R.C.

☐

☐

☐

☐

XX ~~11/1/78~~ ~~11/1/78~~ STAMETS  
 BEFORE EXAMINER  
 OIL CONS. DIVISION  
 EXHIBIT NO: 33  
 C/F NO. 6615  
 Submitted by SOUTHLAND  
 Hearing Date Aug. 8, 1979

SOUTHLAND ROYALTY COMPANY				
AREA Kutz Gallup - Frontier E #1				
LOCATION SE/4 Sec 9, T27N, R11W				
TYPE OF MAP Oil Production				
CONTOURED	DATE	REVISED BY	DATE	REFERENCE
BY CCP				DATE 6-25-79
NOTES				

Docket No. 29-79

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

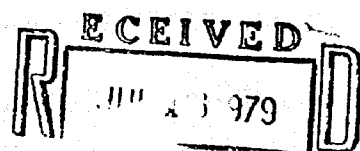
The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- 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.





Southland Royalty Company



OIL CONSERVATION DIVISION  
SANTA FE

July 13, 1979

New Mexico Department of Energy & Minerals  
Oil and Gas Division  
Mr. Joe D. Ramey  
P. O. Box 2088  
Santa Fe, NM 87501

*Case 6615*

RE: Frontier "E" #1  
(O) Sec. 4, T27N, R11W

Dear Sir:

Southland Royalty Company hereby requests a hearing to consider an application for commingling Gallup and Dakota production in the above referenced well.

*Kutz-Gallup  
Basin Dakota*

Yours truly,

*CC Parsons*  
Curtis C. Parsons  
District Engineer

CP/ke

cc: Al Kendrick

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

*JGR*

CASE NO. 6615

Order No. R- 6108

*all*  
APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR DOWNHOLE COMMINGLING,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

*3/8*  
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 September, 19 79, the Division  
Director, having considered the record and the recommendations of  
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6615 is hereby dismissed.

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