

CASE 6626: T. H. McELVAIN OIL & GAS
PROPERTIES FOR POOL COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO

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CASE NO.

6626

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

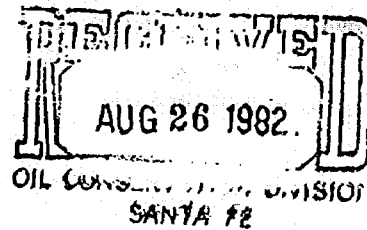


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

August 23, 1982



Mr. Joe Elledge
200 West 25th Street
Farmington, NM 87401

Re: T. H. McElvain Miller B #6 G-12-24N-7W

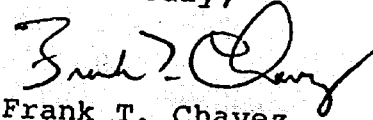
Dear Joe;

Based on the test results submitted to this office, the allocations to the commingled zones in the referenced well will be as follows:

Devil's Fork Gallup	Gas	Oil
Undesignated Dakota	90%	97%
	10%	3%

If you have any questions please contact this office.

Yours truly,


Frank T. Chavez
District Supervisor

FTC:dh

cc: Santa Fe ✓
El Paso Natural Gas
Plateau, Inc.

Case 6626

R-6111



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. Sumner Buell
Jasper & Buell
Attorneys at Law
Post Office Box 1626
Santa Fe, New Mexico

Re: CASE NO. 6626
ORDER NO. R-6111

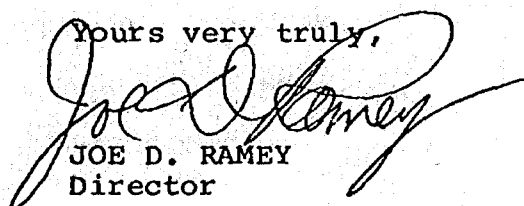
Applicant:

T. H. McElvain Oil & Gas Properties

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. 6626
Order No. R-6111

APPLICATION OF T. H. McELVAIN OIL
& GAS PROPERTIES FOR POOL COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 22, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th 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, T. H. McElvain Oil & Gas Properties,
is the owner and operator of the Miller B Well No. 6, located
in Unit G of Section 12, Township 24 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle
Gallup and Dakota production within the wellbore of the above-
described well.
- (4) That from the Gallup zone, the subject well is expected
to be capable of low marginal production only.
- (5) That from the Dakota zone, the subject well is capable
of low marginal production only.
- (6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

-2-

Case No. 6626

ORDER NO. R-6111

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

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

(9) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, T. H. McElvain Oil & Gas Properties, is hereby authorized to commingle Gallup and Dakota production within the wellbore of the Miller B Well No. 6, located in Unit G of Section 12, Township 24 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

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

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

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-3402
Santa Fe, New Mexico 87501

Page 1

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

EXAMINER HEARING

IN THE MATTER OF:

Application of T. H. McElvain Oil &
Gas Properties for pool commingling,
Rio Arriba County, New Mexico.

CASE
6626

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

For the Applicant:

Sumner Buell, Esq.
JASPER AND BUELL
Santa Fe, New Mexico 87501

*Hearing register
in back of this
transcript*

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3918 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

I N D E X

GEORGE BROOME

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Nutter 6

E X H I B I T S

Applicant Exhibit One, Plat 4

1 MR. NUTTER: We'll call next Case Number
2 6526.

3 MR. PADILLA: Application of T. H.
4 McElvain Oil and Gas Properties for pool commingling, Rio
5 Arriba County, New Mexico.

6 MR. BUELL: Mr. Examiner, I'm Sumner Buell
7 of the firm of Jasper and Buell, appearing on behalf of the
8 applicant.

9 We have one witness.

10
11 (Witness sworn.)

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

16
17 DIRECT EXAMINATION

18 BY MR. BUELL:

19 Q Would you please state your name, your
20 residence, by whom you're employed, and in what capacity?

21 A I'm George Broome. I'm from Santa Fe,
22 New Mexico, employed by T. H. McElvain Oil and Gas Properties
23 as a geological engineer.

24 Q And have you previously testified before
25 the Oil Conservation Division or one of its Examiners and

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

1 had your qualifications as an expert accepted as a matter of
2 record?

3 A. Yes, I have.

4 Q. And are you familiar with what is sought
5 in Application Number 6626?

6 A. Yes, I am. We seek approval to commingle
7 the Gallup and Dakota production from our Miller B-6 Dakota
8 Oil Well, located in Unit G of Section 12, 24 North, 7 West,
9 Rio Arriba County, New Mexico.

10 Q. Mr. Broome, referring to you what's been
11 marked for identification as Applicant's Exhibit Number One,
12 would you explain what that shows, please?

13 A. All right. That's a plat showing four
14 sections located within Township 24 North, Range 6 and 7
15 West.

16 Our Miller B-6 Well is located in red,
17 along with other Gallup completions in the area.

18 The structural contours are on the top of
19 the Gallup sand.

20 The cumulative production of the various
21 wells in the Gallup formation are shown below the wells on
22 the plat.

23 Is that cumulative oil production?

24 A. Yes, it is. It's cumulative Gallup oil
25 production.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (505) 471-2482
Santa Fe, New Mexico 87501

1 Q And what do you propose insofar as this
2 project for downhole commingling with the Gallup and Dakota
3 formations?

4 A Well, we are presently pumping the Dakota
5 formation, approximately two barrels a day from the Dakota.
6 We would propose to pull the rods and tubing, set a bridge
7 plug at approximately 5950 feet; perforate the lower Gallup
8 sand at 5896 to 5908, approximately 12 feet of sand there,
9 and frac it.

10 We'd perforate one shot per foot and frac
11 with a 30,000 pound and 30,000 gallon sand-water frac.

12 Q And if you encounter high pressures within
13 the Gallup formation, what do you propose to --

14 A Well, we would propose to produce the
15 Gallup as such, leaving the bridge plug until such time that
16 we could no longer flow the Gallup, if we do encounter such
17 pressure, which we don't really anticipate.

18 Q And what acreage do you intend to dedicate
19 to the Gallup production?

20 A We would propose to dedicate the west half
21 of the northeast quarter to the Gallup production here. The
22 Dakota has previously been dedicated the southwest of the
23 northeast quarter. It's a 40-acre Dakota oil dedication.

24 Q And do you -- is it your opinion that the
25 granting of this application would prevent waste and protect

1 correlative rights?

2 A. Yes, it is.

3 Q. Was Exhibit One prepared by you or under
4 your supervision?

5 A. Yes, it was.

6 MR. BUELL: We move the introduction of
7 Applicant's Exhibit Number One.

8 MR. NUTTER: Exhibit Number One will be
9 admitted in evidence.

10 MR. BUELL: I have nothing further.

11
12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q. Mr. Broome, how long has this well been
15 producing from the Dakota?

16 A. First production was 11-14 of '78, so it
17 is -- it's produced since November of last year, and we've
18 produced about 470 barrels.

19 Q. Is this 2 barrels a day that it's pro-
20 ducing at a relatively stable rate of production?

21 A. Yes, it has been stable. We do shut the
22 well in occasionally to build up the casinghead pressure.
23 We'll shut it in and then build up our casinghead pressure,
24 because we're using the gas pressure to operate our pumping
25 unit.

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CERTIFIED SHORTHAND REPORTER
2028 Plaza Blanca (SOS) 471-2442
Santa Fe, New Mexico 87501

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3 Q. Was Exhibit One prepared by you or under
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Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-3462
Santa Fe, New Mexico 87501

1 Q What is that cumulative production, 400 and --

2 A 463 barrels, and it's produced 190 days
3 during this period, and 463 barrels have been produced
4 during that time, so it's about 2.4 barrels per day actual
5 production.

6 Q So when you do open up the Gallup you
7 would be able to ascertain what the production from the
8 Gallup was, since you've got this stable rate of production?

9 A Exactly, and it's been very stable for the
10 last six months, and it doesn't seem to decline or increase.
11 We were hoping it would increase.

12 MR. NUTTER: Are there any further ques-
13 tions of Mr. Broome?

14 He may be excused. Do you have anything
15 further, Mr. Buell?

16 MR. BUELL: No, Mr. Examiner.

17 MR. NUTTER: Does anyone have anything
18 they wish to offer in Case Number 6626?

19 We'll take the case under advisement.

20
21 (Hearing concluded.)
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. 6628, heard by me on 8/22 1979.

[Signature], Examiner
Oil Conservation Division

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

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

AUGUST 22, 1979

Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
M.P. Houston	MESA PETROLEUM CO	Midland, Tx
D.D. Gillette	"	Amarillo, Tx
J.T. BERRY	ADAMS EXPLORATION	MIDLANDS
James C. Brown	"	"
S.G. BUELL	Jasper & Buell	Santa Fe
E.K. David	Hillard Oil & Gas	Roswell, N.M.
DANON WEAS	CARIBOU FOUR CORNERS	FARMINGTON, NM
George Braung	T.H. McElvain	Santa Fe, N.M.
Tom Kellorlin	Kellorlin & Kellorlin	Santa Fe NM
Bub Huber	Capital Observer	Santa Fe NM
Wes Hayworth	Texas Inc	Hobbs, NM
Oscar Fuson	R N Hillis	Midland Tx
AR Hendrick	OCD	Coy Co

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date_

AUGUST 22, 1979

Time: 9:00 A.M.

[illegible]

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

EXAMINER HEARING

IN THE MATTER OF:

Application of T. H. McElvain Oil &
Gas Properties for pool commingling,
Rio Arriba County, New Mexico.

CASE
6626

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

For the Applicant:

Sumner Buell, Esq.
JASPER AND BUELL
Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (SOS) 471-9462
Santa Fe, New Mexico 87501

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I N D E X

Page 2

GEORGE BROOME

Direct Examination by Mr. Buell

Cross Examination by Mr. Nutter

3

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E X H I B I T S

Applicant Exhibit One, Plat

4

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-5462
Santa Fe, New Mexico 87501

Page 3

1 MR. NUTTER: We'll call next Case Number
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4 McElvain Oil and Gas Properties for pool commingling, Rio
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9 We have one witness.

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11 (Witness sworn.)

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Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.S.) 471-2482
Santa Fe, New Mexico 87501

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3928 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

Page 6

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3920 Plaza Blanca (SOS) 471-5462
Santa Fe, New Mexico 87501

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13 tions of Mr. Broome?

14 He may be excused. Do you have anything
15 further, Mr. Buell?

16 MR. BUELL: No, Mr. Examiner.

17 MR. NUTTER: Does anyone have anything
18 they wish to offer in Case Number 6626?

19 We'll take the case under advisement.

20

21

(Hearing concluded.)

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.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6626
 heard by me on 8/22 1979

[Signature], Examiner
 Oil Conservation Division

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3020 Plaza Blanca (SSE) 471-3462
 Santa Fe, New Mexico 87501

Dockets Nos. 35-79 and 36-79 are tentatively set for September 5 and 19, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 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 July 25, 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 6626: Application of T. H. McElvain Oil & Gas Properties for pool commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the commingling of Gallup and Dakota production in its Miller B Well No. 6 located in Unit G of Section 12, Township 24 North, Range 7 West.

CASE 6627: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying a previously approved 64.32-acre non-standard unit comprising the NW/4 NW/4 and that portion of Lot 5 lying north of the San Juan River, all in Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool, 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 6628: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Skaggs-Glorieta, Skaggs-Drinkard and East Weir-Blinberry production in the wellbore of its M. B. Weir "B" Well No. 9 located in Unit O of Section 12, Township 20 South, Range 37 East.

CASE 6629: Application of Hilliard Oil & Gas, Inc. for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Hanson Bonds Well No. 1 located 1650 feet from the North line and 330 feet from the East line of Section 20, Township 9 South, Range 35 East, to a Devonian bottom hole location within 100 feet of a point 1325 feet from the North line and 430 feet from the East line of said Section 20.

CASE 6630: 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 BS Mesa-Gallup production in the wellbore of its San Juan 27-4 Unit Well No. 37 located in Unit N of Section 33, Township 27 North, Range 4 West.

CASE 6631: Application of Reserve Oil, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production in the wellbore of its Cooper Jal Unit Well No. 149-306 located in Unit J of Section 18, Township 24 South, Range 37 East.

CASE 6632: Application of Mesa Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Frank State Well No. 1 located in Unit I of Section 7, Township 19 South, Range 23 East, to produce gas from the Abo and Morrow formations, Runyan Ranch Field, through the casing-cubing annulus and through tubing.

CASE 6633: Application of Mesa Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Yates Federal Com Well No. 1-Y located in Unit J of Section 20, Township 17 South, Range 27 East, to produce gas from the Logan Draw-Cisco Canyon Gas Pool and an undesignated Morrow pool through the casing-tubing annulus and through tubing.

CASE 6634: Application of Durham Inc. for special pool rules or a spacing exception, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Lake Arthur-Pennsylvanian Gas Pool to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing. In the alternative applicant seeks to limit the application of the pool's rules to the horizontal limits of the pool, being the SW/4 of Section 31, Township 15 South, Range 27 East.

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 4: N/2 and SE/4
Section 5: N/2
Section 6: N/2
Section 9: NE/4
Section 10: NW/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 19: SW/4
Section 20: W/2
Section 31: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production and designated as the Farmer-Fruitland Pool. The discovery well is Manana Gas, Incorporated Bobbie Herrera Well No. 1 located in Unit K of Section 4, Township 30 North, Range 11 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 4: SW/4

(d) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Big Gap-Pennsylvanian Oil Pool. The discovery well is Bass Enterprises Production Company Navajo 20 Well No. 1 located in Unit O of Section 20, Township 27 North, Range 19 West, NMPM. Said pool would comprise:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 20: SE/4

(e) EXTEND the Aztec-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 29: NE/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 25: SE/4

(f) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 35: E/2

(g) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 14 WEST, NMPM

Section 9: E/2 SE/4
Section 10: SW/4
Section 15: N/2 NE/4

(h) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 4: N/2

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 30: All (Partial Section)
Section 31: All (Partial Section)

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Section 16: W/2
Section 20: E/2
Section 21: NW/4

(i) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 4: NW/4
Section 5: NE/4

- (q) EXTEND the Harris Mesa-Chacra Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
 Section 35: N/2 and SE/4
- (r) EXTEND the Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
 Section 5: NE/4
TOWNSHIP 23 NORTH, RANGE 9 WEST, NMPM
 Section 32: E/2
- (s) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
 Section 32: NE/4
- (t) EXTEND the La Plata-Gallup Oil Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
 Section 26: SW/4
- (u) EXTEND the West Lin: 1th Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:
TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM
 Section 32: N/2 and SW/4
- (v) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:
TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
 Section 6: S/2 (Partial Section)
 Section 18: All (Partial Section)
TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
 Section 5: N/2
 Section 6: N/2
 Section 24: SE/4
 Section 25: NE/4
- (w) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:
TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
 Section 3: All
 Section 4: All
 Section 10: N/2 and SE/4
- (x) EXTEND the Straight Canyon-Dakota Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
 Section 20: SE/4
 Section 21: E/2 and SW/4
- (y) EXTEND the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM
 Section 14: SE/4
- (z) EXTEND the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
 Section 29: S/2
 Section 30: E/2
 Section 32: N/2
TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
 Section 13: E/2 and SW/4
 Section 14: SE/4
TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
 Section 18: E/2

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Appd EXHIBIT NO. 1
CASE NO. 6626

comp in DK
11-14-78
has prod 463 in
from DK in
190 days.

pumping 250 PD from DK
proposed to open 94P
by perf -

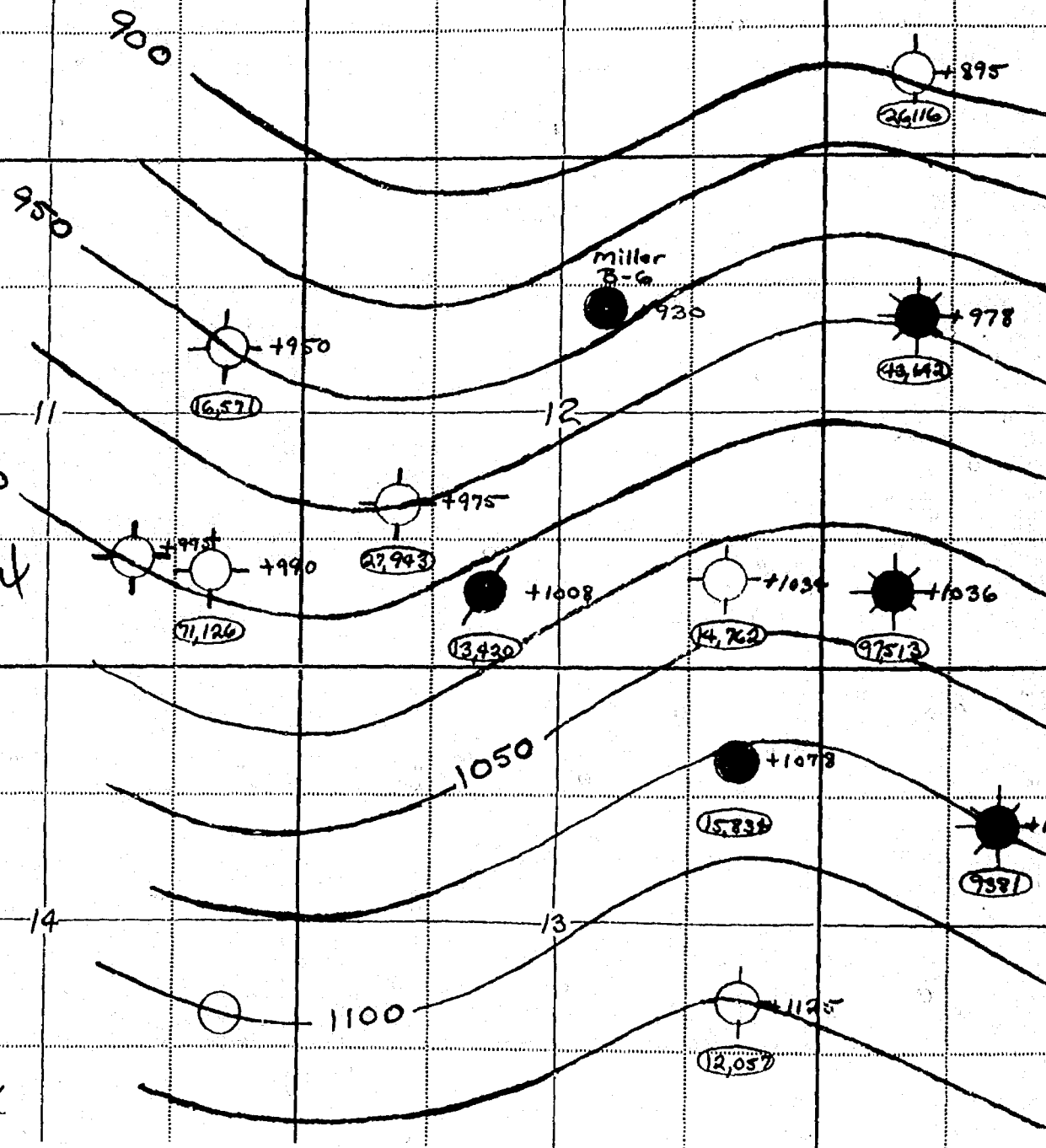
ded w/ 2 NE/4
has su 4 NE/4
dedicated

Devils Fork Gallup Area
Structure Map

Datum: Top of Lower Gallup

CI - 25'

(25,123) - Cumulative Gallup Oil
Production



TER
ON

DPD from DK
15 open RP
7 perf's -
ded w/ 1/2 NE 1/4
has sw 1/4 NE 1/4
dedicated

Is Fort Gallup Area
structure Map

am: Top of Lower Gallup

CI - 25'

- Cumulative Gallup Oil
Production

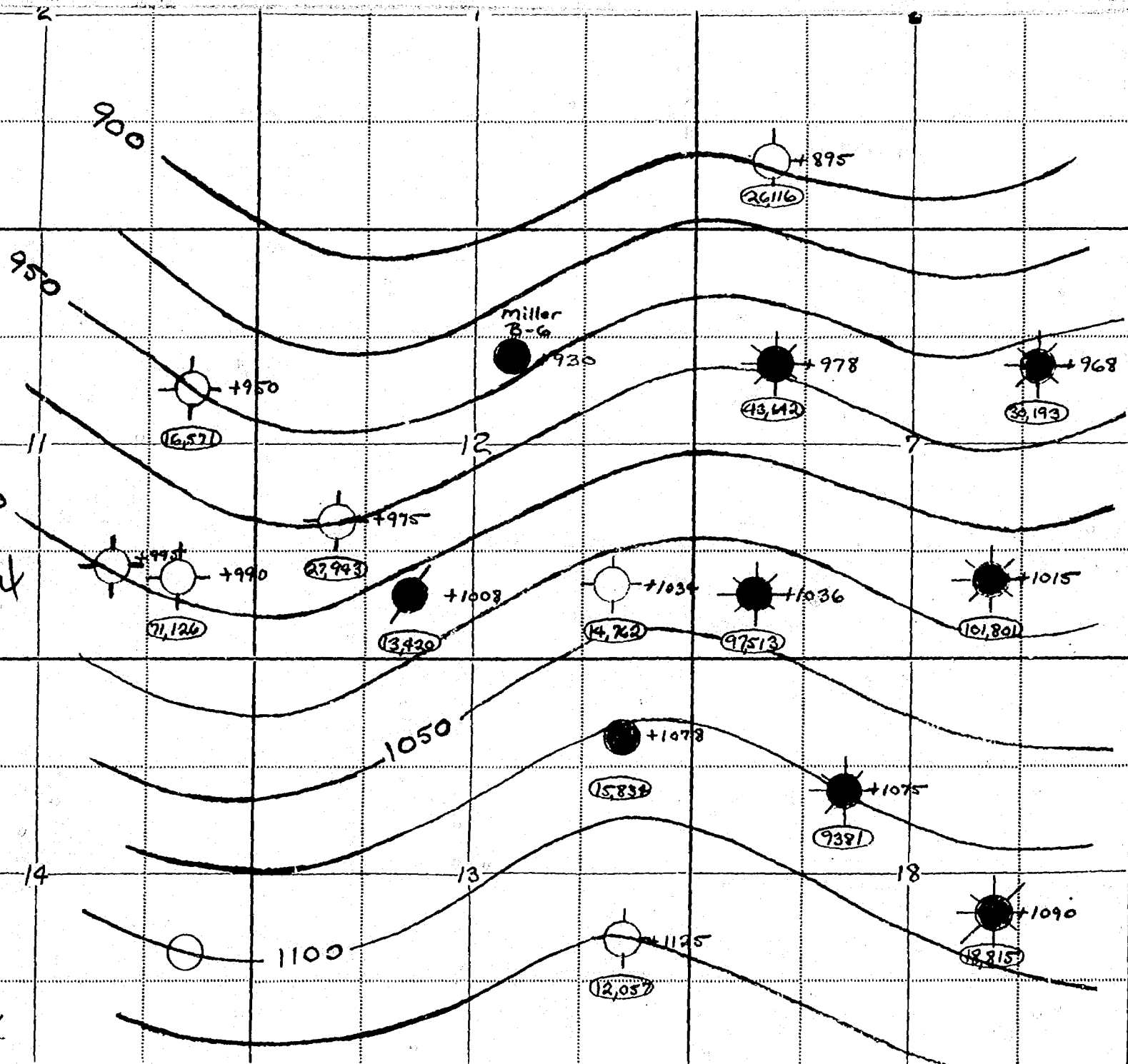
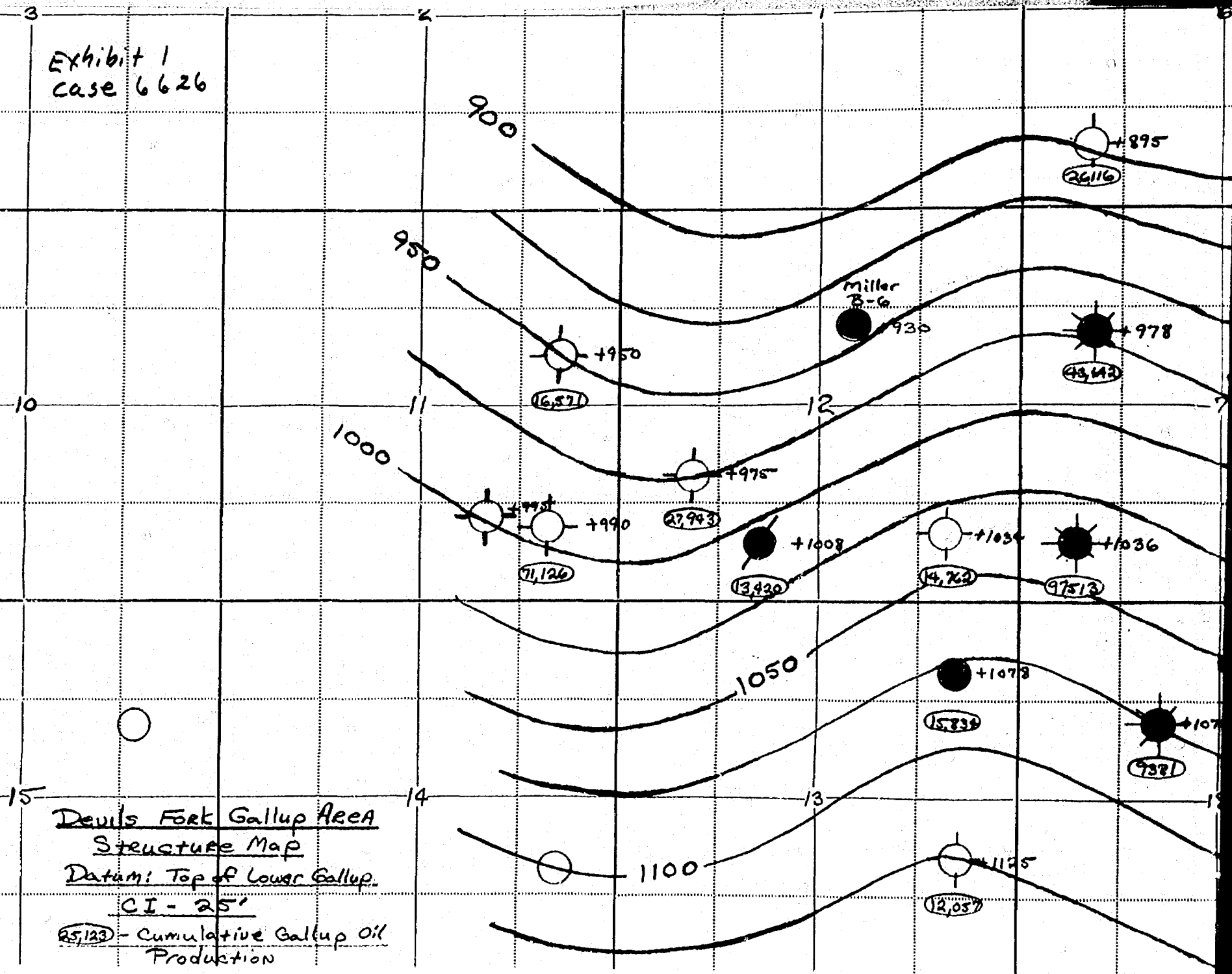
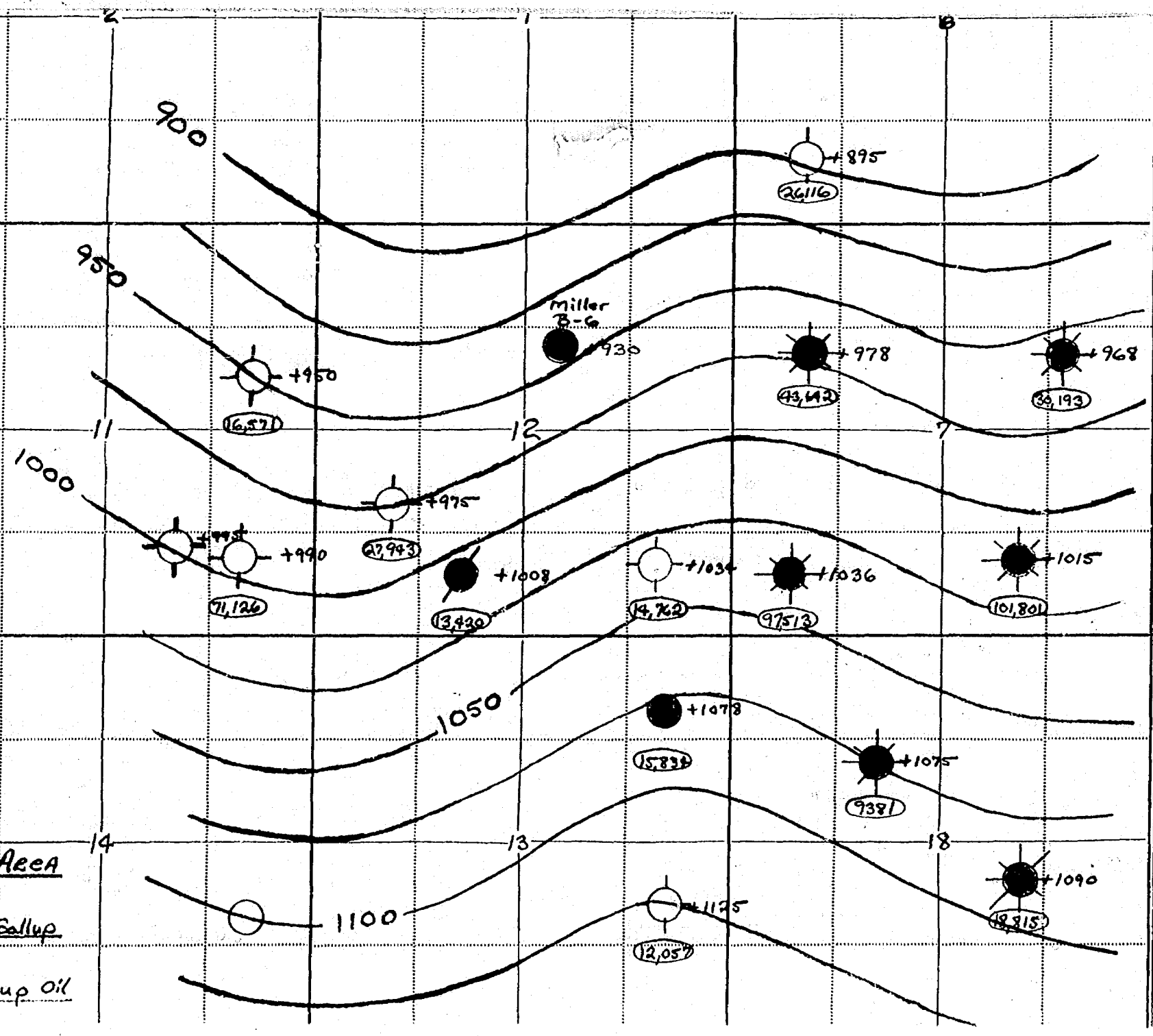


Exhibit 1
Case 6626



+ 1
6626

s Fork Gallup Area
Structure Map
mi Top of Lower Gallup
CI - 25'
Cumulative Gallup Oil
Production



JASPER and BUELL

Attorneys

121 East Palace Avenue
Post Office Box 1626
Santa Fe, New Mexico 87501
505. 988-2841

John G. Jasper
Sumner G. Buell

July 27, 1979

Energy and Minerals Department
Oil and Gas Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

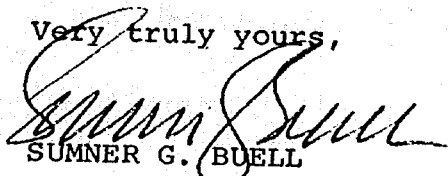
Case 6626

Re: Application of T. H. McElvain Oil and Gas Properties
to commingle production from its Miller B Well No. 6

Gentlemen:

I would appreciate it if you would place the enclosed
application on the next available examiner's docket.

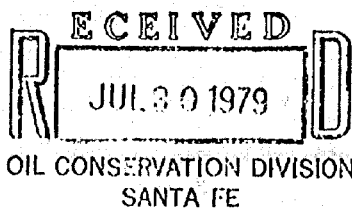
Very truly yours,


SUMNER G. BUELL

SGB/jc

Enclosure as noted

cc: Mr. George Broome
T. H. McElvain Oil & Gas Properties
Post Office Box 2148
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL AND GAS CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF T. H. McELVAIN OIL & GAS PROPERTIES
TO COMMINGLE PRODUCTION FROM THE
GALLUP AND DAKOTA FORMATION FROM ITS
MILLER B WELL NO. 6.

Case 6626

A P P L I C A T I O N

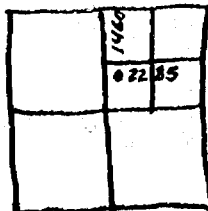
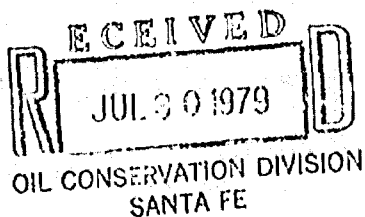
Comes now the applicant, T. H. McElvain Oil and Gas Properties, by its attorneys, Jasper & Buell, and asks the Oil and Gas Conservation Division to enter its order allowing the applicant to commingle production from the Gallup and Dakota formation in its Miller B Well No. 6 and in support thereof states:

1. Applicant is the operator of the Miller B Well No. 6 located 1460 feet from the North line and 2285 feet from the East line of Section 12, Township 24 North, Range 7 West, N.M.P.M., in an undesignated Dakota Oil Pool, Rio Arriba County, New Mexico.

2. The Miller B Well No. 6 was initially drilled as a gas well, but upon completion in the Dakota Formation produced as an oil well.

3. By Order No. R-5904 entered January 16, 1979, the Oil and Gas Conservation Division allowed the Miller B Well No. 6 to produce from the Dakota Formation in an unorthodox location as an oil well.

4. Applicant proposes to produce said well from the Gallup formation and commingle the production from the Gallup formation with present production from the Dakota Formation.



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL AND GAS CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF T. H. McELVAIN OIL & GAS PROPERTIES
TO COMMINGLE PRODUCTION FROM THE
GALLUP AND DAKOTA FORMATION FROM ITS
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Case 6626

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OIL CONSERVATION DIVISION
SANTA FE

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL AND GAS CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF T. H. McELVAIN OIL & GAS PROPERTIES
TO COMMINGLE PRODUCTION FROM THE
GALLUP AND DAKOTA FORMATION FROM ITS
MILLER B WELL NO. 6.

Case 6626

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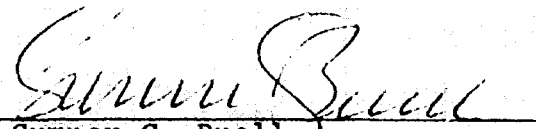
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OIL CONSERVATION DIVISION
SANTA FE

5. Applicant proposes to dedicate the W/2 NE/4 of said Section 12 to the Gallup production from said well.

6. The granting of this application will prevent waste and protect correlative rights.

JASPER & BUELL

By



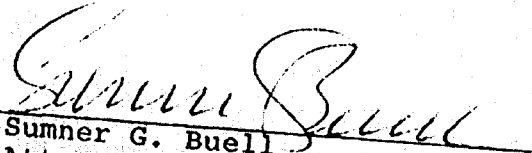
Sumner G. Buell
Attorneys for Applicant
Post Office Box 1626
Santa Fe, New Mexico 87501

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JASPER & BUELL

By


Sumner G. Buell
Attorneys for Applicant
Post Office Box 1626
Santa Fe, New Mexico 87501

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. 6626

Order No. 6111

APPLICATION OF T. H. McELVAIN OIL & GAS PROPERTIES
POOL
FOR ~~DOWNHOLE~~ COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 22,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S.
Nutter.

NOW, on this _____ day of _____, 19 79, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, T. H. McElvain Oil & Gas/, is
the owner and operator of the Miller B Well No. 6,
located in Unit 6 of Section 12, Township 24 North,
Range 7 West, NMPM, Rio Arriba County, New Mexico.

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

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

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

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

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

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

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, _____ percent of the commingled _____ production should be allocated to the Gallup zone, and _____ percent of the commingled _____ production to the Dakota zone.

(ALTERNATE)

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, T. H. McElvain Oil & Gas/ ^{Properties} is hereby authorized to commingle Gallup and Dakota production within the wellbore of the Miller B Well No. 6, located in Unit G of Section 12, Township 24 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

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

(ALTERNATE)

(2) That percent of the commingled production shall be allocated to the Gallup zone and percent of the commingled production shall be allocated to the Dakota zone.

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

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

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