

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5652  
Order No. R-5205

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR DOWNHOLE COMMINGLING,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

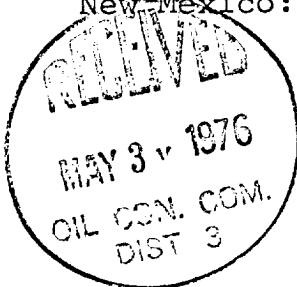
This cause came on for hearing at 9 a.m. on April 14, 1976,  
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

Now, on this 27th day of April, 1976, the Commission, a  
quorum being present, 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 Commission has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Continental Oil Company, is the  
owner and operator of the following wells on its Northeast Haynes  
Lease in Township 24 North, Range 5 West, NMPM, Rio Arriba County,  
New Mexico:



No. 1 in Unit L of Section 9  
No. 2 in Unit D of Section 16  
No. 3 in Unit P of Section 16  
No. 4 in Unit E of Section 21  
No. 5 in Unit E of Section 22  
No. 6 in Unit D of Section 15  
No. 7 in Unit L of Section 10  
No. 8 in Unit P of Section 15

(3) That the applicant seeks authority to commingle Basin-  
Dakota gas and Otero-Gallup oil production within the wellbore  
of the above-described wells.

(4) That from the Basin-Dakota zone, the subject wells are  
capable of low marginal production only.

(5) That from the Otero-Gallup zone, the subject wells are  
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 wells are not shut-in for an extended period.

(8) That to afford the Commission 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 Commission any time the subject wells are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in each of the subject wells, 75 percent of the commingled oil production and 15 percent of the commingled gas production should be allocated to the Gallup zone, and 25 percent of the commingled oil production and 85 percent of the commingled gas production to the Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle Basin-Dakota gas and Otero-Gallup oil production within the wellbore of the following wells on its Northeast Haynes Lease in Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico:

- ~~/~~No. 1 in Unit L of Section 9
- ~~/~~No. 2 in Unit D of Section 16
- ~~/~~No. 3 in Unit P of Section 16
- ~~/~~No. 4 in Unit E of Section 21
- ~~/~~No. 5 in Unit E of Section 22
- ~~/~~No. 6 in Unit D of Section 15
- ~~/~~No. 7 in Unit L of Section 10
- ~~/~~No. 8 in Unit P of Section 15

(2) That in each of the aforesaid wells, 75 percent of the commingled oil production and 15 percent of the commingled gas production shall be allocated to the Gallup zone and 25 percent of the commingled oil production and 85 percent of the commingled gas production shall be allocated to the Dakota zone.

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

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