

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. 4595
Order No. R-4203

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 September 15, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of October, 1971, 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, seeks authority to commingle production from an undesignated Gallup oil pool and an undesignated Dakota oil pool in the well-bores of two wells to be drilled in Section 27, Township 25 North, Range 4 West, NMPM, West Lindrith Field, Rio Arriba County, New Mexico, as follows:

~~Jicarilla~~ 28 Well No. 12 - NW/4 SW/4
Jicarilla 28 Well No. 13 - NE/4 NE/4

(3) That the applicant further seeks the establishment of a procedure whereby approval may be granted administratively for the similar completion of other wells to be drilled in the area.

(4) That each well previously completed in the above-described pools has been capable of only low marginal production.

(5) That the evidence indicates that wells completed in the future in said pools will be capable of only low marginal production.

(6) That the reservoir characteristics of the above-described Gallup and Dakota oil pools are such that underground waste would not be caused by the proposed commingling in the well-bores of the two wells to be drilled.

(7) That the granting of authorization to complete the subject wells as requested should permit the drilling of wells that would not otherwise be drilled and should result in the recovery of oil from each of the commingled zones in each of the subject two wells that would not otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

(8) That the mechanics of the proposed completions are feasible and in accord with good conservation practices.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject wells, 53% of the commingled oil production should be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone in each of the subject two wells.

(10) That a procedure should be established whereby the Secretary-Director of the Commission may approve the similar completion of other wells to be drilled in the subject area.

(11) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to drill and complete each of the following two wells in Section 27, Township 25 North, Range 4 West, NMPM, West Lindrith Field, Rio Arriba County, New Mexico, in such a manner

as to produce oil from undesignated Gallup and Dakota oil pools through a single string of tubing, commingling in the well-bores the production from each of said pools:

Jicarilla 28 Well No. 12 - NW/4 SW/4
Jicarilla 28 Well No. 13 - NE/4 NE/4

(2) That the applicant shall complete, operate, and produce said wells in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(3) That as to each of said wells, 53% of the commingled oil production shall be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone.

(4) That as to each well, commingling in the well-bore shall continue only so long as the commingled production does not exceed 50 barrels of oil per day nor 100 barrels of water per day.

(5) That as to each well, the maximum amount of gas which may be produced daily from the commingled zones shall be determined by multiplying 2000 by the top unit allowable for the Gallup zone.

(6) That the Secretary-Director of the Commission is hereby authorized to approve the drilling and completion of other wells in Sections 15 through 22 and 27 through 34, Township 25 North, Range 4 West, NMPM, West Lindrith Field, Rio Arriba County, New Mexico, in such a manner as to produce oil from the Gallup and Dakota formations through a single string of tubing, commingling in the well-bores productive from each of said formations.

(7) Application for administrative approval shall be made in QUADRUPLICATE, with two copies of the application to be mailed to the Commission's Santa Fe Office, and two copies to the Aztec District Office of the Commission. The application shall be accompanied by the following:

- (a) Diagrammatic Sketch of the proposed 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, 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 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 when available.)

The Secretary-Director may approve the completion if, after a period of 20 days following the filing of the application, no operator has filed objection to the proposed completion.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

S E A L

dr/

A. L. PORTER, Jr., Member & Secretary