

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. 6074
Order No, R-5578

APPLICATION OF AMERADA HESS
CORPORATION 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 October 26, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of November, 1977, 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, Amerada Hess Corporation, is the owner and operator of the Jicarilla Apache "A" Well No. 8 located in Unit N of Section 26 and the Jicarilla Apache "F" Well No. 12 located in Unit B of Section 22, both in Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico,

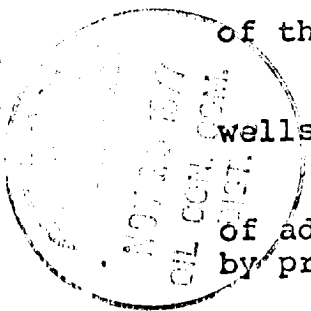
(3) That the applicant seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production within the wellbore of the above-described wells.

(4) That from the South Blanco-Pictured Cliffs zone, each of the subject wells is capable of low levels of production only.

(5) That from the Otero-Chacra zone, each of the subject wells is capable of low levels of 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 in each of the aforesaid wells 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 either of the subject wells is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the aforesaid Well No. 8, 50 percent of the commingled production should be allocated to the South Blanco-Pictured Cliffs zone, and 50 percent of the commingled production to the Otero-Chacra zone, and in the aforesaid Well No. 12, 40 percent of the production should be allocated to the Pictured Cliffs zone and 60 percent to the Chacra zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amerada Hess Corporation, is hereby authorized to commingle South Blanco-Pictured Cliffs and Otero-Chacra production within the wellbores of its Jicarilla Apache "A" Well No. 8 located in Unit N of Section 26 and its Jicarilla Apache "F" Well No. 12 located in Unit B of Section 22, both in Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) That 50 percent of the commingled production shall be allocated to the South Blanco-Pictured Cliffs zone and 50 percent of the commingled production shall be allocated to the Otero-Chacra zone in Well No. 8 and 40 percent of the production shall be allocated to the Pictured Cliffs zone and 60 percent to the Chacra zone in Well No. 12.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time either of the aforesaid wells has 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.

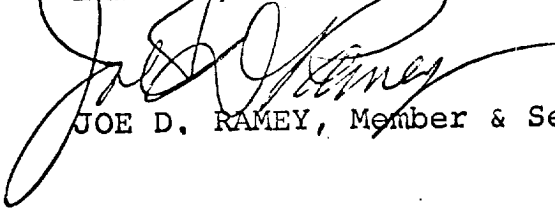
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/