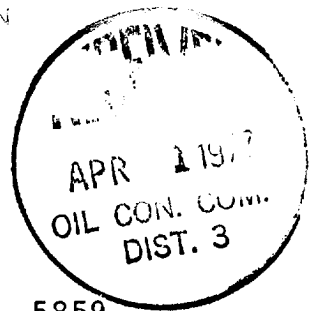


BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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



CASE NO. 5859
Order No. R-5403

APPLICATION OF CAULKINS OIL COMPANY
FOR A DUAL COMPLETION AND 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 March 9, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of March, 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, Caulkins Oil Company, is the
owner and operator of the Breech D Well No. 307, located in
Unit M of Section 13, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Basin-
Dakota and Blanco-Mesaverde production within the wellbore of
the above-described well, and to dually complete the commingled
formations and the Chacra formation in said well, producing the
commingled Mesaverde-Dakota production through one string of
1 1/4-inch integral joint tubing and the Chacra production
through a parallel string of 1-inch non-upset tubing, with
separation of the commingled Mesaverde-Dakota production from
the Chacra production achieved by means of a packer set at
approximately 3300 feet.

*Order filed
Apr. 1 1977
H. S. Nutter
Examiner*

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

(5) That from the Blanco-Mesaverde 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 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 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, 85 percent of the commingled gas production and 75 percent of the oil production should be allocated to the Basin-Dakota zone, and 15 percent of the commingled gas production and 25 percent of the oil production to the Blanco-Mesaverde zone.

(10) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(11) That approval of the subject application will prevent waste and will not impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Basin-Dakota and Blanco-Mesaverde production within the wellbore of the Breech D Well No. 307, located in Unit M of Section 13, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Chacra formation in said well in such a manner as to produce the commingled Mesaverde-Dakota production through a string of 1 1/4-inch integral joint tubing and the Chacra production through a parallel string of 1-inch non-upset tubing, with separation of the commingled Mesaverde-Dakota production and Chacra production achieved by means of a packer set at approximately 3300 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce the aforesaid well 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.

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter.

(2) That 85 percent of the commingled gas production and 75 percent of the commingled oil production shall be allocated to the Basin-Dakota zone and 15 percent of the commingled gas production and 25 percent of the commingled oil production shall be allocated to the Blanco-Mesaverde zone.

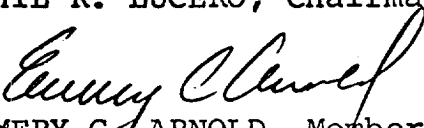
(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

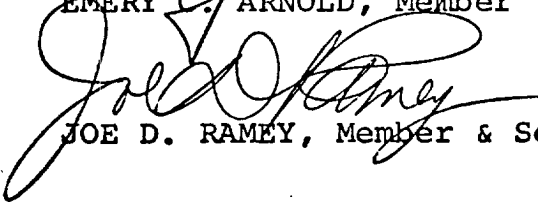
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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