

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. 6440
Order No. R-5924

APPLICATION OF CAULKINS OIL COMPANY
FOR A DUAL COMPLETION AND DOWNHOLE
COMMINGLING, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

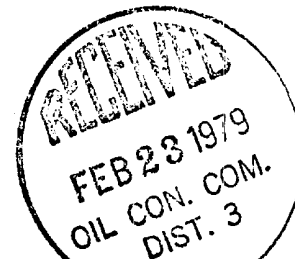
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of February, 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, Caulkins Oil Company, seeks authority to complete its Breech F Well No. 8, located in Unit A of Section 34, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Pictured Cliffs formation through one string of tubing and to produce commingled Mesaverde and Dakota gas production through a second string of tubing.
- (3) That from the Mesaverde and Dakota zones, the subject well is capable of low marginal production only.
- (4) 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.



(5) 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.

(6) 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.

(7) That in order to allocate the commingled production to each of the commingled zones in the subject well, 21 percent and 23 percent of the commingled gas and condensate production, respectively, should be allocated to the Mesaverde zone, and 79 percent and 77 percent of the commingled gas and condensate production, respectively, to the Dakota zone.

(8) That Division Order No. R-1430, which authorized the triple completion of the subject well, should be superseded.

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to complete its Breech F Well No. 8, located in Unit A of Section 34, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Pictured Cliffs formation through one string of tubing and to produce Mesaverde and Dakota gas production, hereby authorized to be commingled in the wellbore, through a second string of tubing with separation of the Pictured Cliffs zone from the other zones achieved by means of a packer set at approximately 4600 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 during the Annual Deliverability Test Period for gas wells in North-west New Mexico.

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(2) That 21 percent and 23 percent of the commingled gas and condensate production, respectively, shall be allocated to the Mesaverde zone and 79 percent and 77 percent of the commingled gas and condensate production, respectively, shall be allocated to the Dakota zone.

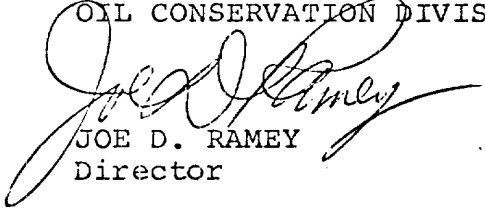
(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That Division Order No. R-1430 is hereby superseded.

(5) 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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