

BEFORE THE 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. 5803
Order No. R-5325

APPLICATION OF EL PAMCO., INC.
FOR DOWNHOLE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 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, El PamCo., Inc., is the owner and operator of the Valdez Well No. 1A, located in Unit P of Section 24, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Fruitland and Pictured Cliffs gas production within the wellbore of the above-described well and to simultaneously dedicate the SE/4 of said Section 24 to said well and to its Valdez Well No. 1 located in Unit I of said Section 24.

(4) That from the Fruitland zone, the subject well is capable of low rates of production only.

(5) That from the Pictured Cliffs zone, the subject well is capable of low rates 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 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, 17 percent of the commingled production should be allocated to the Fruitland zone, and 83 percent of the commingled production to the Pictured Cliffs zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Co., Inc., is hereby authorized to commingle Fruitland and Pictured Cliffs production within the wellbore of the Valdez Well No. 1A, located in Unit P of Section 24, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, and to simultaneously dedicate the SE/4 of said Section 24 to said well and to its Valdez Well No. 1 located in Unit I of said Section 24.

(2) That 17 percent of the commingled production shall be allocated to the Fruitland zone and 83 percent of the commingled production shall be allocated to the Pictured Cliffs 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 W. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOHN D. HAMBY, Member & Secretary