

Entered July 22, 1957  
A.H.P.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 1269  
Order No. R-1022

APPLICATION OF NORTHWEST PRODUCTION  
CORPORATION FOR AUTHORITY TO COMMINGLE  
LIQUID HYDROCARBONS PRODUCED FROM THE  
PICTURED CLIFFS, MESAVERDE, GALLUP,  
DAKOTA, AND GRANEROS-DAKOTA FORMATIONS  
INTO CENTRAL TANK BATTERIES LOCATED ON  
CERTAIN LEASES IN THE BLANCO-MESAVERDE,  
SOUTH BLANCO-PICTURED CLIFFS, TAPACITO-  
PICTURED CLIFFS AND CERTAIN UNDESIGNATED  
GAS POOLS IN RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m.,  
on June 25, 1957, at Farmington, New Mexico, before Warren W.  
Mankin, Examiner duly appointed by the Oil Conservation Com-  
mission of New Mexico, hereinafter referred to as the "Commission",  
in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17<sup>th</sup> day of July, 1957, the Commission, a  
quorum being present, having considered the application, the  
evidence adduced, and the recommendations of the Examiner, Warren  
W. Mankin, 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 is the owner of the following  
oil and gas leases on Indian Lands in Rio Arriba County, New  
Mexico:

"C" Lease (Jicarilla Contract #123)  
Township 25 North, Range 4 West  
Sections 5, 6, 7, 8 All

"C" Lease (Jicarilla Contract #120)  
Township 26 North, Range 4 West  
Sections 29, 30, 31, 32 All

"E" Lease (Jicarilla Contract #115)  
Township 26 North, Range 3 West  
Sections 3, 4, 9, 10 All

"E" Lease ( Jicarilla Contract #116)  
Township 26 North, Range 3 West  
Sections 15, 16, 21, 22 All

"E" Lease (Jicarilla Contract #117)  
Township 26 North, Range 3 West  
Sections 27, 28, 33, 34 All

"N" Lease (Jicarilla Contract #119)  
Township 26 North, Range 4 West  
Sections 5, 6, 7, 8 All

"NE" Lease (Jicarilla Contract #87)  
Township 27 North, Range 2 West  
Sections 9, 10, 15, 16 All

"W" Lease (Jicarilla Contract #152)  
Township 26 North, Range 5 West  
Sections 5, 6, 7, 8 All

(3) That the applicant proposes to commingle the liquid hydrocarbons produced from the Pictured Cliffs, Mesaverde, Gallup, Dakota, and Graneros-Dakota formations underlying each of the above-described leases and to store the liquid hydrocarbon production from all wells on each lease in one or more separate central tank batteries located thereon.

(4) That the subject application is necessitated by the extremely rugged terrain in the area of the above-described leases.

(5) That approval of the application will not cause waste nor impair correlative rights.

(6) That periodic gas-liquid ratio tests should be made to determine what portion of the production would be attributed to each formation of each well producing into a common battery.

(7) That sufficient capacity should be provided in each of the proposed central tank batteries to prevent the waste of the liquid hydrocarbon stored therein.

(8) That the gas produced from each well and from each formation should be measured and reported separately.

(9) That the multicompleted wells should include the formation abbreviation in the well name to indicate the formations from which the well is producing.

IT IS THEREFORE ORDERED:

(1) That the applicant, Northwest Production Corporation, be and the same is hereby authorized to commingle the liquid hydrocarbon production from the Pictured Cliffs, Mesaverde, Gallup, Dakota, and Graneros-Dakota formations underlying each of the leases hereinafter described, and to store the liquid hydrocarbons produced from all wells presently completed or hereafter drilled on

each of said leases into one or more separate central tank batteries to be located thereon:

"C" Lease (Jicarilla Contract #123)  
Township 25 North, Range 4 West  
Sections 5, 6, 7, 8 All

"C" Lease (Jicarilla Contract #120)  
Township 26 North, Range 4 West  
Sections 29, 30, 31, 32 All

"E" Lease (Jicarilla Contract #115)  
Township 26 North, Range 3 West  
Sections 3, 4, 9, 10 All

"E" Lease (Jicarilla Contract #116)  
Township 26 North, Range 3 West  
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Sections 9, 10, 15, 16 All

"W" Lease (Jicarilla Contract #152)  
Township 26 North, Range 5 West  
Sections 5, 6, 7, 8 All

(2) That periodic gas-liquid ratio tests be conducted for all wells located on the aforementioned leases in order to ascertain the amount of liquid hydrocarbons being produced from each well and from each formation. Said tests shall be conducted for a given 24-hour period each month after the effective date of this order until six such tests have been conducted and then one such test every six months thereafter, or as ordered by the Commission.

(3) That sufficient capacity be provided in each of the central tank batteries authorized above to prevent the waste of the liquid hydrocarbons produced from the aforementioned leases.

(4) That the gas produced from each well and each formation of the aforementioned leases be metered and reported separately.

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(5) That in filing production and test reports for multicompleted wells, operator shall identify the specific formation for which said reports are being filed by adding the formation suffix to the name of the well in accordance with the abbreviations listed below:

Pictured Cliffs	"PC"
Mesaverde	"MV"
Gallup	"GP"
Dakota	"DK"
Graneros-Dakota	"GD"

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

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