

Entered July 7, 1972
Q.S.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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4687
Order No. R-4330

APPLICATION OF RIGGS OIL & GAS
CORPORATION FOR DOWNHOLE COM-
MINGLING, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of July, 1972, 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, Riggs Oil & Gas Corporation, seeks authority to commingle production from an undesignated Fruitland gas pool and the Fulcher Kutz-Pictured Cliffs Gas Pool in the wellbore of its Federal Well No. 1, located in Unit F of Section 4, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That the subject well was completed as a dual completion (conventional) to produce gas from the undesignated Fruitland gas pool through 1-inch tubing and the Fulcher Kutz-Pictured Cliffs Gas Pool through 1 1/4-inch tubing with separation of zones by a permanent type production packer set at 1650 feet.

(4) That communication between the two zones has developed through a leak in the packer.

(5) That the applicant proposes to leave the well in its present condition, produce the two zones as a commingled zone, and to allocate the commingled production to the two zones on the basis of past production history.

(6) That each of the zones in the subject well is capable of only low marginal production.

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- (7) That the ownership of both zones is identical.
- (8) That the estimated well repair costs exceed the total estimated value of reserves from both zones combined.
- (9) That the subject well is more than one mile from the nearest well producing from the Pictured Cliffs formation.
- (10) That there are no other wells completed in the Fruitland formation in the area of the subject well.
- (11) That the quality and quantity of gas available from each is such that no waste will occur through commingling.
- (12) That past production history indicates that 25% of the commingled production should be allocated to the undesignated Fruitland gas pool and 75% of the commingled production should be allocated to the Fulcher Kutz-Pictured Cliffs Gas Pool.
- (13) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Riggs Oil & Gas Corporation, is hereby authorized to operate its Federal Well No. 1, located in Unit F of Section 4, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to produce gas from an undesignated Fruitland gas pool and the Fulcher Kutz-Pictured Cliffs Pool through its existing equipment, commingling in the wellbore the production from each of said pools.
- (2) That the applicant shall complete, operate, and produce the above-described 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.
- (3) That as to the above-described well, 25% of the commingled production shall be allocated to the Fruitland zone and 75% of the commingled production shall be allocated to the Dakota zone.
- (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

Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

S E A L

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