

Entered September 19, 1979

JLR

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. 6626  
Order No. R-6111

APPLICATION OF T. H. McELVAIN OIL  
& GAS PROPERTIES FOR POOL COMMINGLING,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 22, 1979,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of September, 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, T. H. McElvain Oil & Gas Properties,  
is the owner and operator of the Miller B Well No. 6, located  
in Unit G of Section 12, Township 24 North, Range 7 West, NMPM,  
Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle  
Gallup and Dakota production within the wellbore of the above-  
described well.
- (4) That from the Gallup zone, the subject well is expected  
to be capable of low marginal production only.
- (5) That from the Dakota 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.

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(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 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.

(9) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, T. H. McElvain Oil & Gas Properties, is hereby authorized to commingle Gallup and Dakota production within the wellbore of the Miller B Well No. 6, located in Unit G of Section 12, Township 24 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

(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 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

S E A L  
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