Entered May 11, 1966 als.

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. 3395 Order No. R-3066

APPLICATION OF R. W. WARNER FOR DOWN-HOLE COMMINGLING, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 27, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>llth</u> day of May, 1966, 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, R. W. Warner, is the owner and operator of the Warner-Federal Well No. 1 located in Unit A of Section 10, Township 22 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (3) That said well was originally completed as a low-marginal pumping oil well and was subsequently plugged and abandoned.
- (4) That the applicant, R. W. Warner, has re-entered said well and has established low-marginal production from an undesignated Gallup oil pool through perforations from 4768 feet to 4830 feet and from an undesignated Dakota oil pool through perforations from 5628 feet to 5635 feet.
- (5) That the applicant proposes to produce and to commingle in the well-bore the marginal oil production from the aforesaid pools.

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- (6) That the production from neither of said zones, in itself, is sufficient to cover the operating costs of producing the well as a single completion. Further, that the production from both zones, combined, is insufficient to cover the cost of installing conventional dual completion equipment and the operating cost of the well.
- (7) That the reservoir characteristics of each of the two zones are such that underground waste would not be caused by the proposed commingling in the well-bore.
- (8) That approval of the proposal will prevent waste in permitting the production of otherwise unrecoverable oil and will not violate correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, R. W. Warner, is hereby authorized to complete his Warner-Federal Well No. 1 located in Unit A of Section 10, Township 22 North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool through perforations from 4768 feet to 4830 feet and from an undesignated Dakota oil pool through perforations from 5628 feet to 5635 feet, commingling the production from each of said zones in the well-bore.
- (2) That the operator shall notify the Santa Fe Office of the Commission in the event that either or both of the perforated intervals in the subject well becomes capable, for any reason, of producing in excess of 10 barrels per day.
- (3) 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

QIL CONSERWATION COMMISSION

TACK M. CAMPBELL Chairman

YTOW B. HAYS, Member

L. PORTER, Jr., Member & Secretary

S E A L

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