

*11/18*  
*Entered December 1, 1970*

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. 4462  
Order No. R-4071

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR DOWNHOLE COMMINGLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on November 18, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of December, 1970, 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, Continental Oil Company, seeks authority to commingle production from an undesignated Gallup oil pool and an undesignated Dakota oil pool in the well-bores of four wells to be drilled in Township 25 North, Range 4 West, NMPM, West Lindrith Area, Rio Arriba County, New Mexico, as follows:

Jicarilla 22 Well No. 5 - Unit L - Section 22  
Jicarilla 28 Well No. 9 - Unit A - Section 28  
Jicarilla 28 Well No. 10 - Unit L - Section 28  
Jicarilla 28 Well No. 11 - Unit B - Section 33

(3) That each well previously completed in the above-described pools have been capable of only low marginal production.

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(4) That the evidence indicates that wells completed in the future in said pools will be capable of only low marginal production.

(5) That the reservoir characteristics of the above-described Gallup and Dakota oil pools are such that underground waste would not be caused by the proposed commingling in the well-bores of the four wells to be drilled.

(6) That the granting of authorization to complete the subject wells as requested should permit the drilling of wells that would not otherwise be drilled and should result in the recovery of oil from each of the commingled zones in each of the subject four wells that would not otherwise be recovered thereby preventing waste, and will not violate correlative rights.

(7) That the mechanics of the proposed completions are feasible and in accord with good conservation practices.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject wells, 53% of the commingled oil production should be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone in each of the subject four wells.

(9) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to drill and complete each of the following four wells in Township 25 North, Range 4 West, NMPM, West Lindrith Area, Rio Arriba County, New Mexico, in such a manner as to produce oil from undesignated Gallup and Dakota oil pools through a single string of tubing, commingling in the well-bores the production from each of said pools:

Jicarilla 22 Well No. 5 - Unit L - Section 22  
Jicarilla 28 Well No. 9 - Unit A - Section 28  
Jicarilla 28 Well No. 10 - Unit L - Section 28  
Jicarilla 28 Well No. 11 - Unit B - Section 33

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(2) That the applicant shall complete, operate, and produce said wells 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 each of said wells, 53% of the commingled oil production shall be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone.

(4) That as to each well, commingling in the well-bore shall continue only so long as the commingled production does not exceed 50 barrels of oil per day nor 100 barrels of water per day.

(5) That as to each well, the maximum amount of gas which may be produced daily from the commingled zones shall be determined by multiplying 2000 by the top unit allowable for the Gallup zone.

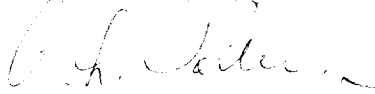
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMIJO, Member

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

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