

Entered October 10, 1972
R.L.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. 4804
Order No. R-4418

APPLICATION OF DUGAN PRODUCTION
CORPORATION FOR DOWNHOLE COM-
MINGLING AND A NON-STANDARD
PRORATION UNIT, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 23, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of October, 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, Dugan Production Company, seeks an exception to Rule 303 of the Commission Rules and Regulations, to commingle oil production from the Amarillo-Gallup Oil Pool and gas from the Basin-Dakota Pool in the wellbore of its Fullerton Well No. 1 located 1850 feet from the North line and 1850 feet from the West line of Section 34, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the well is capable of only low marginal production from said pools.

(4) That the reservoir characteristics of the above-described Amarillo-Gallup Oil Pool and Basin-Dakota Pool are such that underground waste would not be caused by the proposed commingling in the well-bore of the well.

(5) That the granting of authorization for the subject well as requested should result in the recovery of oil and gas from each of the commingled zones in the subject well that would not otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

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

(7) That approval of the subject application for down-hole commingling will prevent waste and protect correlative rights.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 100% of the oil production should be allocated to the Amarillo-Gallup zone, and 100% of the gas production to the Basin-Dakota zone in the subject well.

(9) That the applicant further seeks approval for a non-standard 160-acre gas proration unit for the Basin-Dakota Pool comprising the NW/4 of said Section 34 to be dedicated to the subject well.

(10) That in order to avoid the drilling of unnecessary wells and to protect correlative rights, the application for a 160-acre non-standard gas spacing unit should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dugan Production Company, is hereby authorized an exception to Rule 303 to commingle oil production from the Amarillo-Gallup Oil Pool and gas from the Basin-Dakota Pool in the well-bore of its Fullerton Well No. 1, located 1850 feet from the North line and 1850 feet from the West line of Section 34, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico, in such a manner as to produce oil from the Amarillo-Gallup Oil Pool and gas from the Basin-Dakota Pool through tubing set opposite the Dakota producing zone.

(2) That the applicant shall complete, operate, and produce said 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 subject well, 100% of the oil production shall be allocated to the Amarillo-Gallup zone, and 100% of the gas production to the Basin-Dakota zone.

(4) That the application for a 160-acre non-standard gas proration unit in the Basin-Dakota Pool comprising the NW/4 of Section 34, Township 28 North, Range 13 West, NMPM, to be dedicated to applicant's Fullerton Well No. 1 is hereby approved.

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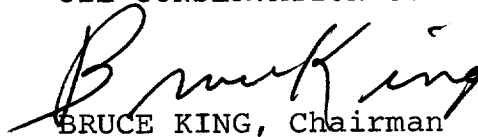
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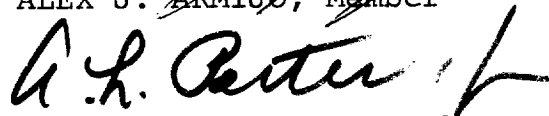
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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