

*Entered October 22, 1974*  
*R.H.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. 5331  
Order No. R-4882

APPLICATION OF J. GREGORY MERRION  
FOR DOWNHOLE COMMINGLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of October, 1974, 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, J. Gregory Merrion, is the owner and operator of the NCRA State Wells Nos. 1 and 4, located in Units E and J, respectively, of Section 16, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Devils Fork-Mesaverde and Devils Fork-Gallup production within the wellbore of the above-described wells.

(4) That in each well, the Mesaverde formation is capable of low marginal production only.

(5) That in each well the Gallup formation is capable of low marginal production only.

(6) That the proposed commingling in each of the subject wells may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones in each of the subject wells 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.

-2-

CASE NO. 5331

Order No. R-4882

(8) That to afford the Commission 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 Commission any time either of the subject wells are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, certain tests both prior to and after commingling the two formations should be conducted on each of the subject wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. Gregory Merrion, is hereby authorized to commingle Devils Fork-Mesaverde and Devils Fork-Gallup production within the wellbore of the NCRA State Wells Nos. 1 and 4, located in Units E and J, respectively, of Section 16, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the following procedure shall be used for determining production from each of the commingled zones in each of the subject wells:

(a) Conduct a 24-hour test of the Mesaverde formation to determine the rate of production of oil, gas, and water from said formation while pumping. This test shall be used to determine Oil Rate No. 1 and the Mesaverde GOR.

(b) Remove bridge plugs, re-run tubing, rods, and pump, and produce both zones for two weeks, then conduct a 24-hour test to determine the rate of production of oil, gas, and water from both zones. This test shall be used to determine Oil Rate No. 2.

(c) Determine Mesaverde allocation factor as follows:

$$MV_f = \text{Oil Rate No. 1} / \text{Oil Rate No. 2}$$

(d) Allocate monthly production as follows:

1. Mesaverde Oil Production =  $MV_f$  (Total Oil Production)
2. Gallup Oil Production = Total oil production minus Mesaverde oil production.
3. Mesaverde Gas Production = (Mesaverde oil production) (Mesaverde GOR)
4. Gallup Gas Production = Total gas production minus Mesaverde gas production.

(e) GOR Tests shall be run annually in accordance with Devils Fork-Gallup Associated Pool Rules.

-3-

CASE NO. 5331

Order No. R-4882

(3) That the operator of the subject wells shall immediately notify the Commission's Aztec district office any time either of the wells have been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.


(4) 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

I. R. TRUJILLO, Chairman

  
ALEX J. ARMIJO, Member

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

S E A L

jr/