

Entered April 15, 1975
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. 5441
Order No. R-4997

APPLICATION OF J. GREGORY MERRION
AND ROBERT L. BAYLESS 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 March 19, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 1975, 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 applicants, J. Gregory Merrion and Robert
L. Bayless are the co-owners with El Paso Natural Gas Company
of the El Paso Canyon Largo NP Well No. 185, located in
Unit K of Section 3, Township 24 North, Range 6 West, NMPM,
Rio Arriba County, New Mexico, and are the designated
operator of said well.

(3) That the applicants propose to perforate into the
Gallup formation in the above-described well and seek
authority to commingle said undesignated Gallup production
and the existing Basin-Dakota production within the wellbore
of said well.

(4) That from the as yet unperforated Gallup zone, the
subject well is expected to be capable of low marginal
production only.

(5) That from the Basin-Dakota zone, the subject well
is capable of low marginal production only.

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(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.

(7) That the reservoir characteristics of each of the aforesaid zones in the subject area 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 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 the subject well is shut-in for 7 consecutive days.

(9) That upon recompletion of the subject well as proposed herein, the applicant should discuss the prior rate of production and the new rate of production with the supervisor of the Aztec district office of the Commission in order to allocate the commingled production to each of the commingled zones in the subject well.

(10) That any authority for downhole commingling should be rescinded if other than the low marginal production as described in Finding No. (4) is obtained.

IT IS THEREFORE ORDERED:

(1) That the applicants, J. Gregory Merrion and Robert L. Bayless, are hereby authorized to commingle undesignated Gallup and Basin-Dakota production within the wellbore of the El Paso Canyon Largo NP Well No. 185, located in Unit K of Section 3, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That upon completion the applicant should consult with the supervisor of the Aztec district office of the Commission to allocate the commingled production to each of the commingled zones in the subject well.

(3) That the operators of the subject well shall immediately notify the Aztec district office of the Commission any time the well has 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.

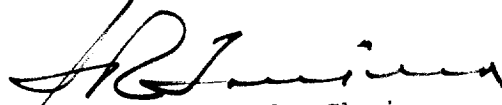
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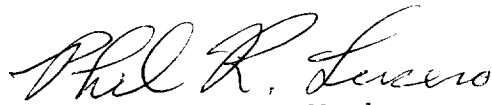
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.


STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



L. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



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

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