

Entered May 18, 1976  
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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. 5675  
Order No. R-5214

APPLICATION OF MERRION & BAYLESS  
FOR A DUAL COMPLETION AND DOWNHOLE  
COMMINGLING, SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of May, 1976, 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, Merrion & Bayless, is the owner and operator of the Jicarilla 428 Well No. 2, located in Unit A of Section 31, Township 23 North, Range 4 West, NMPM, Sandoval County, New Mexico.

(3) That said well is completed with a short string of 2 7/8-inch casing and a long string of 4 1/2-inch casing cemented in a common well bore at depths of 2746 feet and 6631 feet respectively.

(4) That the applicant seeks authority to complete said well as a dual completion (combination) in such a manner as to produce undesignated Pictured Cliffs Gas and undesignated Chacon (Chacra) gas through the 2 7/8-inch casing and oil and gas production from undesignated Mesaverde, Mancos, Gallup, Carlisle and Graneros stringers through tubing set in the 4 1/2-inch casing.

(5) That the applicant seeks authority to commingle the Pictured Cliffs and Chacra gas production within the 2 7/8-inch casing of the above-described well.

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(6) That from the Pictured Cliffs zone, the subject well is capable of low rates of production only.

(7) That from the Chacra zone, the subject well is capable of low rates of production only.

(8) That the applicant further seeks authority to commingle Mesaverde, Gallup (Mancos, Gallup, and Carlisle) and Dakota (Graneros) production within the 4 1/2-inch casing of the above-described well.

(9) That from each of the zones described in Finding No. (8) above, the subject well is capable of low rates of production only.

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

(11) 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.

(12) That the reservoir characteristics of each of the subject zones 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.

(13) 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.

(14) That the allocation of the production to the various commingled zones should be in accordance with a formula agreed to by the applicant and the Supervisor of the Commission's Aztec district office.

(15) That the application for dual completion and downhole commingling should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Merrion and Bayless, is hereby authorized to complete its Jicarilla 428 Well No. 2, located in Unit A of Section 31, Township 23 North, Range 4 West, NMPM, Sandoval County, New Mexico, as a dual completion (combination) with a string of 2 7/8-inch casing and a string of 4 1/2-inch casing cemented within a common wellbore.

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PROVIDED HOWEVER, 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;

PROVIDED FURTHER, that the applicant shall take zone segregation tests upon completion and annually thereafter.

(2) That the applicant further is authorized to commingle Pictured Cliffs and Chacra gas production within the 2 7/8-inch casing in said well and to commingle Mesaverde, Gallup, and Dakota oil production within the 4 1/2-inch casing in said well.

(3) That the allocation of production to the various commingled zones shall be based upon percentages or a formula agreed upon by the applicant and the Supervisor of the Commission's Aztec district office.

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

(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



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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