

Entered October 27, 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. 5736
Order No. R-5310

APPLICATION OF BCO INC. 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 September 29, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 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, BCO Inc., is the owner and operator of the Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Lybrook-Gallup, Basin-Dakota, undesignated Greenhorn, and Mancos stringer production within the wellbore of the above-described well.

(4) That from each of the aforesaid pools and zones, the subject well is capable of low marginal production only.

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

(6) That the reservoir characteristics of each of the subject pools and 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.

(7) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate

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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.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, applicant should consult with the supervisor of the Aztec district office of the Commission after completion of the well to determine an allocation formula for the Mancos-Gallup production and the Greenhorn-Dakota production.

IT IS THEREFORE ORDERED:

(1) That the applicant, BCO Inc., is hereby authorized to commingle Lybrook-Gallup, Basin-Dakota, undesignated Greenhorn and Mancos stringer production within the wellbore of the Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That upon completion of the well, applicant shall consult with the supervisor of the Aztec district office of the Commission and determine an allocation formula for the Mancos-Gallup production and the Greenhorn-Dakota production.

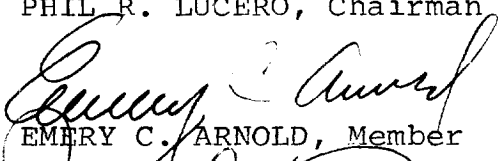
(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

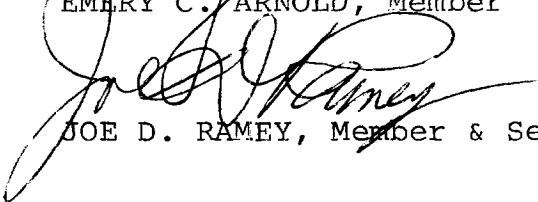
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above 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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