

Entered January 17, 1977

JWR

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. 5833
Order No. R-5354

APPLICATION OF SOUTHERN UNION
PRODUCTION COMPANY FOR DOWNHOLE
COMINGLING, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of January, 1977, 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, Southern Union Production Company,
is the owner and operator of the following wells in Rio Arriba
County, New Mexico:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Jicarilla "L" Well No. 5, Unit N Section 33
Jicarilla "L" Well No. 6, Unit M Section 34

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Jicarilla "L" Well No. 2, Unit G Section 10
Jicarilla "L" Well No. 3, Unit E Section 3
Jicarilla "L" Well No. 4, Unit G Section 9
Jicarilla "N" Well No. 1, Unit K Section 4
Jicarilla "N" Well No. 2, Unit N Section 3

-2-

Case No. 5833

Order No. R-5354

(3) That the applicant seeks authority to commingle Otero-Gallup and Basin-Dakota production within the wellbore of each of the above-described wells.

(4) That from the Gallup zone, each of the subject wells is capable of low marginal production only.

(5) That from the Dakota zone, each of the subject wells is capable of low marginal production only.

(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 subject zones are such that underground waste would not be caused by the proposed commingling provided that none of the wells is 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 any of the subject wells is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in each of the subject wells, applicant should consult with the Supervisor of the Aztec District Office of the Commission upon completion of the commingling workover operation on the well, and determine the allocation formula for that well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southern Union Production Company, is hereby authorized to commingle Gallup and Dakota production within the wellbores of the following wells in Rio Arriba County, New Mexico:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Jicarilla "L" Well No. 5, Unit N Section 33

Jicarilla "L" Well No. 6, Unit M Section 34

-3-

Case No. 5833

Order No. R-5354

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Jicarilla "L" Well No. 2, Unit G Section 10

Jicarilla "L" Well No. 3, Unit E Section 3

Jicarilla "L" Well No. 4, Unit G Section 9

Jicarilla "N" Well No. 1, Unit K Section 4

Jicarilla "N" Well No. 2, Unit N Section 3

(2) That in order to allocate the commingled production to each of the commingled zones in each of the subject wells, applicant shall consult with the Supervisor of the Aztec District Office of the Commission upon completion of the commingling workover operation on the well, and determine the allocation formula for that well.

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

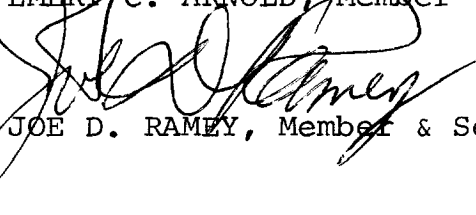
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member
JOE D. RAMEY, Member & Secretary

S E A L

dr/