

Entered November 14, 1110

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDEREING:

CASE NO. 6368
Order No. R-5388-A

APPLICATION OF GETTY OIL COMPANY
FOR THE AMENDMENT OF ORDER NO. R-5388,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Getty Oil Company, seeks the amendment of Order No. R-5388 to provide an administrative procedure to permit the downhole commingling of Pictured Cliffs and Chacra production in wells on its Jicarilla "B" and "C" Leases in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28, and 31 through 34, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That the establishment of a procedure wherein additional wells on the subject leases may be completed in such a manner as to permit the commingling of Pictured Cliffs and Chacra production in the wellbores thereof may result in the production of otherwise unrecoverable reserves of hydrocarbons, thereby preventing waste, will not impair correlative rights, and should be approved.

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Case No. 6368

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IT IS THEREFORE ORDERED:

(1) That Orders Nos. (3) through (6), inclusive, of Order No. R-5388 are hereby amended to read in their entirety as follows:

"(3) That the operator of any of the above wells or any other well commingled pursuant to the authority herein contained shall immediately notify the Division's Aztec district office any time any of the wells have been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

"(4) That the Division Director is hereby authorized to approve commingling of Pictured Cliffs and Chacra production in the wellbore of any well drilled in Sections 5 and 6, Township 24 North, Range 5 West, NMPM, and Sections 21, 22, 27, 28, and 31 through 34, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

"(5) That to obtain approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of any well completed in the aforescribed area, the operator of said well shall file one copy of the request for such approval with the Division Director and one copy with the Supervisor of the Division's District Office at Aztec. Such request shall contain evidence as to the productivity or expected productivity of each of the aforesaid formations proposed to be commingled, as well as reservoir pressures encountered or expected to be encountered. In addition, data shall be submitted which will enable the Division Director to prescribe an allocation formula for allocating production to each of the formations to be commingled, or the applicant shall consult with the District Supervisor to establish such an allocation formula.

"(6) The Division Director shall have authority to rescind downhole commingling authority granted for any well prior to its completion if data available upon completion of the well indicates greater than marginal production from either or both of the commingled formations or a pressure differential between the commingled formations which might cause waste."

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

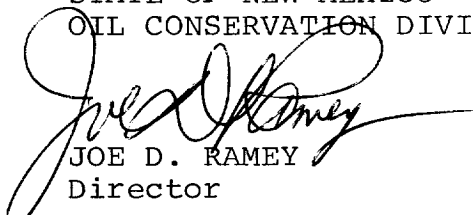
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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