

Entered April 12, 1977
JPK

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. 5852
Order No. R-5410

APPLICATION OF JEROME P. McHUGH
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 February 2, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of April, 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, Jerome P. McHugh, is the owner and operator of the Apache Wells Nos. 3 and 4, located in Units D and L, respectively, of Section 19, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Wildhorse-Gallup and Basin-Dakota production from the above-described Well No. 3 at the surface and to commingle Wildhorse-Gallup and Basin-Dakota production within the wellbore of the above-described Well No. 4.

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

(5) That from the Basin-Dakota zone, each of the subject wells 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 subject zones are such that underground waste would not be caused by the proposed commingling provided that the wells are 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 aforesaid Apache Well No. 4 is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the aforesaid Well No. 3, applicant should conduct semi-annual productivity tests on each of the productive zones; in order to allocate the commingled production to each of the commingled zones in the aforesaid Well No. 4, applicant should consult with the supervisor of the Aztec District Office of the Commission and determine an allocation formula.

IT IS THEREFORE ORDERED:

(1) That the applicant, Jerome P. McHugh, is hereby authorized to commingle Wildhorse-Gallup and Basin-Dakota production from his Apache Wells Nos. 3 and 4, located in Units D and L, respectively, of Section 19, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, said production being commingled at the surface in the aforesaid Well No. 3, and in the wellbore of the aforesaid Well No. 4.

(2) That production from each of the commingled zones in the aforesaid Well No. 3 shall be determined on the basis of semi-annual productivity tests on each of the zones; and that the applicant shall consult with the Supervisor of the Aztec District Office of the Commission and determine an allocation formula for each zone in the aforesaid Well No. 4.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the aforesaid Apache Well No. 4 has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

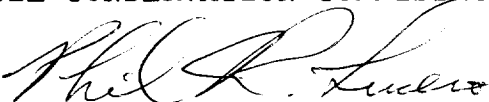
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(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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