

Entered July 20, 1978
JLR

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. 6146
Order No. R-5665

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 8, 1978, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 20th day of July, 1978, 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 Jicarilla Well No. 5, located in Unit D of Section 29, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

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

(4) That by actual test taken December 22, 1977, the Gallup formation in the subject well produced 1559 MCF of gas and 14 barrels of oil in 24 hours.

(5) That while no recent test of the Dakota formation in the subject well is available, said well produced 4284 MCF of gas from the Dakota during December, 1977, or an average of 138 MCF per day assuming the well was on production throughout the month.

(6) That while no recent bottom hole pressures are available for either the Gallup or the Dakota formation in the subject well, the latest available shut-in pressures taken August 25, 1977, indicate a surface shut-in pressure of 250 psi for the Gallup formation and 650 psi for the Dakota formation.

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(7) That the producing characteristics of the two zones in the subject well, as reflected by Finding Nos. (4) and (5) above, are not conducive to efficient downhole commingling.

(8) That the pressure differential between the two zones in the subject well, as reflected by Finding No. (6) above, could cause wasteful cross flow between the zones and is not conducive to efficient downhole commingling.

(9) That while there appears to be some problem in keeping the Gallup zone in the subject well on production due to loading up with fluid, this is probably the result of annular flow in this dually completed well.

(10) That while a solution to this problem could probably be achieved by flowing the Gallup zone through the tubing, the commingling of Dakota production with said Gallup production in said tubing is not in the best interests of conservation, may cause waste, and should not be permitted.

(11) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Jerome P. McHugh to commingle Tapacito-Gallup and Basin-Dakota production in the wellbore of his Jicarilla Well No. 5, located in Unit D of Section 29, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, be and the same is hereby denied.

(2) 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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