

Entered April 11, 1978
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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
CONSIDERING:

CASE NO. 6189
Order No. R-5703

APPLICATION OF MERRION & BAYLESS
FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 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, Merrion & Bayless, proposes to drill its North Lindrith Com Well No. 1-A at a standard location in the NW/4 of Section 20, Township 26 North, Range 2 West, NMPM, Gavilan-Pictured Cliffs Pool and Blanco Mesaverde Pool, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Pictured Cliffs and Mesaverde production within the wellbore of the above-described well.
- (4) That from the Pictured Cliffs zone, the subject well is expected to be capable of low marginal production only.
- (5) That from the Mesaverde zone, the subject well is expected to be 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 in the subject area 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.

(8) That to afford the Division 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 Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, applicant should conduct productivity and pressure tests on each zone during completion operations, and should consult with the supervisor of the Division's Aztec office to arrive at an allocation formula.

(10) That the Division Director should have authority to rescind this order in the event that the productivity of either or both of the subject zones is of non-marginal nature or in the event that the pressure differential between the zones is such as to possibly cause waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Merrion & Bayless, is hereby authorized to commingle Gavilan-Pictured Cliffs and Blanco Mesaverde production within the wellbore of the North Lindrith Com Well No. 1-A to be drilled at a standard location in the NW/4 of Section 20, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant, during completion operations on the subject well, shall conduct productivity and pressure tests on each of the aforesaid zones in said well, and shall consult with the supervisor of the Division's Aztec office to determine a formula for allocation of production to each zone.

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

(4) That the Division Director shall have authority to rescind this order in the event that the productivity of either or both of the aforesaid zones in the subject well is of non-marginal nature, or in the event that the pressure differential between the zones is of such magnitude as to possibly cause waste.

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

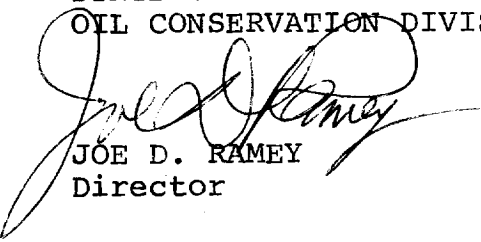
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Case No. 6189

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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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