

Entered April 18, 1978
JGR

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. 6011
Order No. R-5707

APPLICATION OF TENNECO OIL COMPANY
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 August 31, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of April, 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, Tenneco Oil Company, is the owner
and operator of the Jicarilla "A" Well No. 1 in Unit L of Section
18, "B" Well No. 8 in Unit B of Section 15, "C" Wells Nos. 4, 5,
6, 7, and 8, located, respectively, in Units F and I of Section
24, F of Section 14, and M and E of Section 13, all in Township
26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

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

(4) That of the aforesaid wells, the Jicarilla "A" Well No.
1, "B" Well No. 8, and "C" Wells Nos. 6, 7, and 8 are of low
productivity in either one or both of the aforesaid Blanco Mesa-
verde and Basin-Dakota Pools.

(5) That the Jicarilla "C" Wells Nos. 4 and 5 are at present
producing from the Basin-Dakota Pool only, but are expected to
be of low productivity in the Blanco Mesaverde Pool.

(6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, there-
by preventing waste, and will not violate correlative rights.

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(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 Oil Conservation Division of the New Mexico Energy and Minerals Department the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec office of the Division any time the subject wells are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject wells, 98 percent of the gas production in Well No. A-1, 35 percent of the production in Well No. B-8, 40 percent of the production in Well No. C-6, and 80 percent of the production in both Well No. C-7 and Well No. C-8 should be attributed to the Dakota formation, and the remainder of the gas production in each well should be attributed to the Mesaverde formation. All liquid hydrocarbons should be attributed to the Dakota formation in each well.

(10) That during completion operations on Wells Nos. C-4 and C-5, the applicant should conduct productivity and pressure tests of each of the zones to be commingled, and should consult with the supervisor of the Division's Aztec office to determine an allocation formula for each of said wells.

(11) That the Division Director should have the authority to rescind the commingling authority herein granted for said Wells Nos. C-4 and C-5 in the event said productivity tests indicate non-marginal production from either or both of the commingled zones in said wells, or in the event the pressure differential between the commingled zones is of such magnitude as to possibly cause waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized to commingle Blanco Mesaverde and Basin-Dakota production within the wellbores of the Jicarilla "A" Well No. 1 in Unit L of Section 18, "B" Well No. 8 in Unit B of Section 15, "C" Wells Nos. 4, 5, 6, 7 and 8, located, respectively, in Units F and I of Section 24, F of Section 14, and M and E of Section 13, all in Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) That 98 percent of the gas production in Well No. A-1, 35 percent of the production in Well No. B-8, 40 percent of the production in Well No. C-6, and 80 percent of the production in both Well No. C-7 and Well No. C-8 shall be attributed to the Dakota formation, and the remainder of the gas production in each well shall be attributed to the Mesaverde formation. All liquid hydrocarbon production shall be attributed to the Dakota formation in each well.

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(3) That during completion operations on Wells Nos. C-4 and C-5, the applicant shall conduct productivity tests and pressure tests on each of the zones to be commingled, and shall consult with the supervisor of the Division's Aztec office to determine an allocation formula for each of said wells.

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

(5) That the Division Director shall have the authority to rescind the commingling authority herein granted for Wells Nos. C-4 and C-5 in the event the productivity tests on said wells indicate that either or both of the commingled zones in said wells are of non-marginal character, or in the event that the pressure tests on said wells indicate a pressure differential between the zones to be commingled of such magnitude as may cause waste.

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

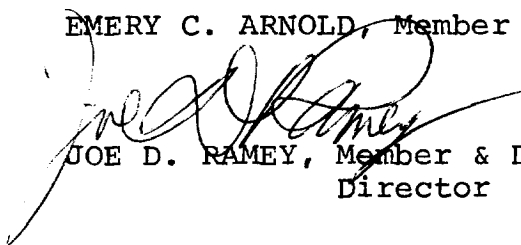
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Division
Director

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