

Entered November 14, 1978
JDR

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. 6359
Order No. R-5854

APPLICATION OF GETTY OIL COMPANY
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 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, is the owner and operator of the Jicarilla "C" Well No. 27, located in Unit E of Section 33, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Gallup and Dakota production within the wellbore of the above-described well.
- (4) That from the Gallup zone, the subject well is capable of low marginal production only.
- (5) That from the Dakota zone, the subject well is 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 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, the applicant should conduct such tests as may be necessary during workover operations on the well, and should consult with the Supervisor of the Division's Aztec District Office to determine an allocation formula.

(10) That applicant further seeks the establishment of an administrative procedure for approval of the downhole commingling of Gallup and Dakota production in additional wells on its Jicarilla "B" and Jicarilla "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.

(11) That the establishment of a procedure wherein additional wells on the subject leases could be so commingled may result in the production of otherwise unrecoverable reserves of hydrocarbons, thereby preventing waste, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Getty Oil Company, is hereby authorized to commingle Gallup and Dakota production within the wellbore of the Jicarilla "C" Well No. 27, located in Unit E of Section 33, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall conduct such tests as may be necessary and shall consult with the Supervisor of the Aztec District Office of the Division in order to determine an allocation formula for the allocation of production to each zone in the subject well upon completion of operations thereon.

(3) That the operator of the above well or any other well commingled pursuant to the authority hereinafter contained shall immediately notify the Division's Aztec district office any time

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any such 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 is hereby authorized to approve commingling of Gallup and Dakota 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 Gallup and Dakota 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.

(7) 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 DIVISION


JOE D. RAMEY
Director

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