

Entered February 13, 1980
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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. 6794
Order No. R-6268

APPLICATION OF CAULKINS 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 January 30, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of February, 1980, 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, Caulkins Oil Company, is the owner and operator of the Breech "D" Well No. 140, located in Unit A of Section 11, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

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

(4) That from the Tocito 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,

-2-

Case No. 6794

Order No. R-6268

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 a packer and check valve are installed above the Dakota zone to prevent Tocito formation liquids from coming in contact with the Dakota pay interval.

(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 well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle South Blanco-Tocito and Basin-Dakota production within the wellbore of the Breech "D" Well No. 140, located in Unit A of Section 11, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

PROVIDED HOWEVER, that the applicant shall install a packer and check valve above the Dakota zone to prevent Tocito formation liquids from coming in contact therewith.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

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

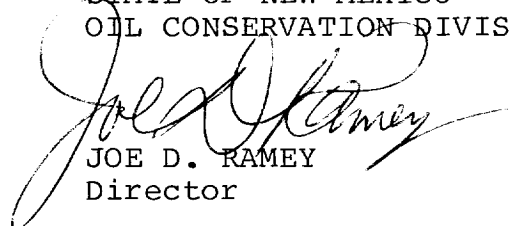
-3-

Case No. 6794

Order No. R-6268

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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