

Entered March 11, 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. 6790
Order No. R-6282

APPLICATION OF MERRION & BAYLESS
FOR GAS WELL COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 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, Merrion & Bayless, seeks permission to temporarily commingle certain Pictured Cliffs gas wells on its Southland Lease in Sections 3, 9, 10, and 11, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of Section 1 of said township.
- (3) That said Southland Lease is within the boundary of the Navajo Indian Irrigation Project, and the pipeline company in the area has been unable to obtain a right-of-way to enter and connect the applicant's wells.
- (4) That it is expected that the pipeline company will obtain a right-of-way and will connect the wells on applicant's Southland Lease within one year.

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(5) That in the meantime, applicant proposes to install a temporary gas gathering system and transport the gas to the nearest available point on the pipeline where the gas will change custody through the purchaser's meter.

(6) That the ownership of all wells on the Southland Lease is common throughout and to commingle the production and transport it to the pipeline on a temporary basis as described above will not cause waste nor violate correlative rights and should be approved, provided that periodic tests should be taken to determine the production from each well.

IT IS THEREFORE ORDERED:

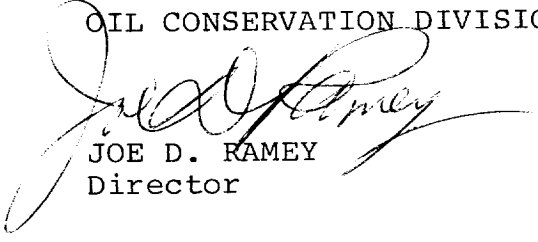
(1) That the applicant, Merrion & Bayless, is hereby authorized to commingle the production from the gas wells on its Southland Lease in Sections 3, 9, 10, and 11, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico, in a common gathering system for transportation off the lease to the purchaser's sales meter in Unit M of Section 1 of the same township.

(2) That the applicant, upon construction of the facility, and at six months intervals thereafter, shall determine the productivity of each well into the pipeline by producing such well while the remaining wells on the lease are shut in, and shall allocate the total metered production to each well connected to the common gathering system on the basis of such tests.

(3) 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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