

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9553
Order No. R-8912

APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORPORATION FOR DOWNHOLE
COMMINGLING, RIO ARriba COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 1 and March 29, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of April, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Benson-Montin-Greer Drilling Corporation, seeks approval to commingle production from the Basin-Dakota Pool and the West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojitos Unit Well No.

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22 located 1700 feet from the North line and 1790 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

(3) The subject well was drilled in 1981 to a total depth of approximately 8400 feet, was subsequently completed in the Basin-Dakota Pool in 1984 with an initial potential of approximately 1 barrel of oil and 120 MCF gas per day, and has not been produced to date.

(4) From the West Puerto Chiquito-Mancos Oil Pool, the applicant expects marginal production only.

(5) The proposed commingling should result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(6) 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 of time.

(7) 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 seven consecutive days.

(8) The operator should consult with the supervisor of the Aztec district office of the Division to determine the proper allocation of production from the subject well following its completion.

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IT IS THEREFORE ORDERED THAT:

(1) The applicant, Benson-Montin-Greer Drilling Corporation, is hereby authorized to commingle production from the Basin-Dakota Pool and the West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojitos Unit Well No. 22 located 1700 feet from the North line and 1790 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

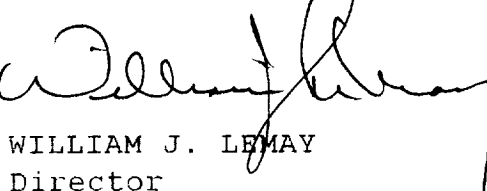
(2) The operator shall consult with the supervisor of the Aztec district office of the Division to determine the proper allocation of production from the subject well following its completion.

(3) The operator of the subject well shall immediately notify the supervisor of the Aztec district office of the Division any time the subject well is shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) 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


WILLIAM J. LEMAY
Director

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