

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. 5652
Order No. R-5205

APPLICATION OF CONTINENTAL 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 April 14, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

Now, on this 27th day of April, 1976, 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, Continental Oil Company, is the owner and operator of the following wells on its Northeast Haynes Lease in Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico:

No. 1 in Unit L of Section 9
No. 2 in Unit D of Section 16
No. 3 in Unit P of Section 16
No. 4 in Unit E of Section 21
No. 5 in Unit E of Section 22
No. 6 in Unit D of Section 15
No. 7 in Unit L of Section 10
No. 8 in Unit P of Section 15
- (3) That the applicant seeks authority to commingle Basin-Dakota gas and Otero-Gallup oil production within the wellbore of the above-described wells.
- (4) That from the Basin-Dakota zone, the subject wells are capable of low marginal production only.
- (5) That from the Otero-Gallup zone, the subject wells are 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 wells are not shut-in for an extended period.

(8) That to afford the Commission 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 Commission 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 each of the subject wells, 75 percent of the commingled oil production and 15 percent of the commingled gas production should be allocated to the Gallup zone, and 25 percent of the commingled oil production and 85 percent of the commingled gas production to the Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle Basin-Dakota gas and Otero-Gallup oil production within the wellbore of the following wells on its Northeast Haynes Lease in Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico:

No. 1 in Unit L of Section 9
No. 2 in Unit D of Section 16
No. 3 in Unit P of Section 16
No. 4 in Unit E of Section 21
No. 5 in Unit E of Section 22
No. 6 in Unit D of Section 15
No. 7 in Unit L of Section 10
No. 8 in Unit P of Section 15

(2) That in each of the aforesaid wells, 75 percent of the commingled oil production and 15 percent of the commingled gas production shall be allocated to the Gallup zone and 25 percent of the commingled oil production and 85 percent of the commingled gas production shall be allocated to the Dakota zone.

(3) 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.

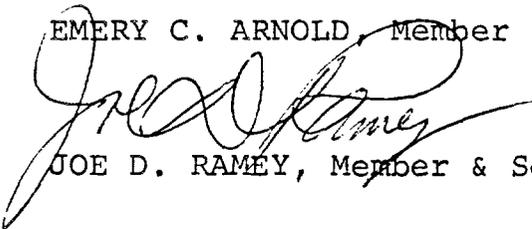
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

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. 5795
Order No. R-5205-A

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN EXCEPTION TO THE
PROVISIONS OF ORDER NO. R-1670,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 27, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 1976, 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, Continental Oil Company, is the operator of certain wells on its Northeast Haynes Lease which comprises the S/2 of Section 9, S/2 of Section 10, all of Sections 15 and 16, N/2 of Section 21, and N/2 of Section 22, Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That by Commission Order No. R-5205, dated April 27, 1976, applicant was authorized to commingle Otero-Gallup and Basin-Dakota production in the wellbores of its Wells Nos. 1 through 8, located in Unit L of Section 9, Units D and P of Section 16, Unit E of Section 21, Unit E of Section 22, Unit D of Section 15, Unit L of Section 10, and Unit P of Section 15, respectively, on said Northeast Haynes Lease, allocating production to each of the respective commingled zones in each well in accordance with a percentage formula prescribed by said order.

(4) That the applicant now seeks an exception to the provision of Rule 21(A) of the General Rules and Regulations for the pro-rated gas pools of Northwestern New Mexico which requires

separate measurement for all gas wells in order to commingle the combined Gallup-Dakota production from all of the aforesaid wells in a common tank battery and to allocate production to each of the wells on the basis of periodic well tests.

(5) That all of the aforesaid wells are of marginal nature in both the Gallup and Dakota zones.

(6) That the ownership of all of said wells is common throughout.

(7) That approval of the proposed commingling of production will permit compression of the produced gas at the common tank battery and better enable it to enter the pipe line, will extend the life of the wells thereby preventing waste, and will not impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle the production from the following wells in Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico:

Northeast Haynes Well No.	1	Unit	L	Section	9
"	"	"	D	"	16
"	"	"	P	"	16
"	"	"	E	"	21
"	"	"	E	"	22
"	"	"	D	"	15
"	"	"	L	"	10
"	"	"	P	"	15

and to allocate production to each of said wells on the basis of well tests conducted at least quarterly on each of said wells, total metered gas sold, and gas consumed on the lease.

(2) That upon determination of the total production from each well, applicant shall determine the production from each zone in said well in accordance with the provisions of Commission Order No. R-5205.

(3) That applicant shall file Commission Form C-111 each month showing thereon the total takes from each zone of each of the aforesaid wells during the preceding month.

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

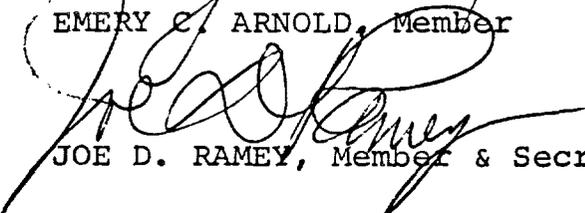
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

NEW MEXICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

AMENDMENT
COMMINGLING ORDER PLC-58

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mark K. Mosley, Division Manager

The above-named company is hereby authorized to commingle Otero Gallup and Basin Dakota pool production from the following leases:

Lease Name: Northeast Haynes
Description: S/2 Sec. 9, S/2 Sec. 10, All Section 15 and 16,
N/2 Sec. 21 and N/2 Sec. 22, T-24-N, R-5-W
NMPM, Rio Arriba County with Basin Dakota
production from the following wells in T-24-N,
R-5-W, NMPM, Rio Arriba County:

Northeast Haynes Well No. 4E, NW/4 NE/4 Section 21;
Northeast Haynes Well No. 8E, NW/4 SW/4 Section 15;
Northeast Haynes Well No. 7E, NW/4 SE/4 Section 10;
Northeast Haynes Well No. 6E, NW/4 NE/4 Section 15.

Production shall be allocated to each lease by well tests (if this method or the subtraction method above is to be authorized, all commingled production must be of identical ownership: working interest, royalty interest, and overriding royalty interest).

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Prior to this amendment, Wells Nos. 4E and 8E only were authorized to be commingled with the production previously approved for commingling by Order No. R-5205-A.

DONE at Santa Fe, New Mexico, on this 23rd day of June, 1982.


~~JOE D. RAMEY, Division Director~~