

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.

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(6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, there-
by 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.

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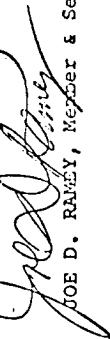
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

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