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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. 3846
Order No. R-3506

APPLICATION OF BCO, INC., AND HARRY L. BIGBEE
FOR DOWNHOLE COMMINGLING, SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of September, 1968, 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 applicants, Bco, Inc., and Harry L. Bigbee, are the owners and operators of certain leases comprising Sections 12, 13, and the E/2 of Section 14, Township 24 North, Range 8 West, NMPM, Escrito-Gallup Oil Pool area, San Juan County, New Mexico.

(3) That the applicants are the owners and operators of the Harry L. Bigbee Nancy Wells Nos. 3 and 4, located in Units N and F, respectively, of said Section 12.

(4) That the aforesaid Well No. 3 is presently completed as a low marginal pumping well in the Graneros zone of an undesignated Dakota oil pool.

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(5) That the aforesaid Well No. 4 is presently completed as a low marginal pumping well in an undesignated Greenhorn oil pool.

(6) That completion attempts, tests, and logs of said wells Nos. 3 and 4 indicate that the Gallup, Greenhorn, Graneros, and Dakota formations will each yield extremely marginal amounts of hydrocarbons in the area of the subject wells and leases.

(7) That the applicants seek authority to produce and commingle in the well-bores of the subject wells the low marginal production from the aforesaid formations.

(8) That the applicants further seek an administrative procedure whereby said commingling may be authorized for additional wells, which may be drilled in the area comprising said Sections 12, 13, and the E/2 of Section 14.

(9) That the applicants propose to drill one additional well to be located in the SE/4 NW/4 of said Section 13, and to re-enter a well located in the NE/4 SE/4 of said Section 13, and to commingle production from the aforesaid formations in the well-bores of said wells.

(10) That the zone presently producing in each of said Wells Nos. 3 and 4, if produced separately to depletion, is near the end of its economic life.

(11) That the reservoir characteristics of the subject formations are such, in the area of the subject wells and leases, that underground waste would not be caused by the proposed commingling in the well-bores.

(12) That further development in the area of applicants' leases by dually completing the subject wells or by the drilling of additional wells as single or dual completions would be uneconomic.

(13) That the proposed commingling may substantially extend the productive life of the subject wells and may make it economically feasible to drill an additional well in the SE/4 NW/4 of said Section 13 and to re-enter and re-complete the well in the NE/4 SE/4 of said Section 13.

(14) That the proposed commingling may result in the recovery of additional oil from the subject formations, thereby preventing waste, and will not violate correlative rights.

(15) That the ownership is identical throughout in the zones proposed to be commingled in the aforesaid Wells Nos. 3 and 4 and in the well proposed to be drilled in the SE/4 NW/4 of said Section 13; that the ownership is not common in all of said zones in the well to be re-entered in the NE/4 SE/4 of said Section 13.

(16) That the applicants should be authorized to complete the aforesaid Wells Nos. 3 and 4 and the well to be drilled in the SE/4 NW/4 of said Section 13 in such a manner as to produce oil from the Gallup, Greenhorn, Graneros, and Dakota formations and to commingle the production from each of said zones in the well-bores of the subject wells.

(17) That the applicants should be authorized to re-enter the well in the NE/4 SE/4 of said Section 13, and upon a satisfactory showing to the Commission that all of the aforesaid zones in said well have been unitized or otherwise consolidated, insofar as all ownership is concerned, should be authorized to commingle the production from said zones.

(18) That the request for an administrative procedure whereby commingling in the well-bore may be authorized for additional wells which may be drilled in the subject area is premature and should be denied.

IT IS THEREFORE ORDERED:

(1) That the applicants, Bco, Inc., and Harry L. Bigbee, are hereby authorized to complete the Harry L. Bigbee Nancy Wells Nos. 3 and 4 located in Units N and F, respectively, of Section 12, and a well to be drilled in the SE/4 NW/4 of Section 13, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to produce oil from the Gallup, Greenhorn, Graneros, and Dakota formations and to commingle the production from each of said formations in the well-bore of each of said wells.

(2) That the applicants shall be authorized to re-enter the well in the NE/4 SE/4 of Section 13, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico, and, upon a satisfactory showing to the Commission that the Gallup, Greenhorn, Graneros, and Dakota formations in said well have been unitized or otherwise consolidated, they shall be permitted to commingle oil production from said zones in the well-bore of said well.

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(3) That any of the above-described wells which may be completed to produce from more than one formation in a common well-bore shall be considered a single completion and shall be limited to a single allowable.

(4) That the request of the applicants for an administrative procedure whereby the aforesaid commingling may be authorized for additional wells which may be drilled in the area comprising said Sections 12, 13, and the E/2 of Section 14 is hereby denied.

(5) 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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

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