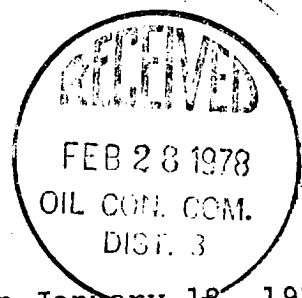


BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6120
Order No. R-5647

APPLICATION OF CAULKINS 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 January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of February, 1978, 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, Caulkins Oil Company, is the owner and operator of the Breech E Wells Nos. 109 in Unit M of Section 3 and 104 in Unit P of Section 5, and its Breech A Wells Nos. 627 in Unit B of Section 8, and 677 and 679 in Units L and J, respectively, of Section 9, and 207 in Unit O of Section 10, all in Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to recomplete said wells in such a manner as to commingle Chacra and Mesaverde production within the wellbores therein.
- (4) That from the Chacra zone, the subject wells are expected to be capable of low rates of production only.
- (5) That from the Mesaverde zone, the subject wells are expected to be capable of low rates of 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 any of 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 the subject wells, 40 percent of the commingled gas production should be allocated to the Chacra zone, and 60 percent of the commingled gas production and 100 percent of all the commingled oil production to the Mesaverde zone.

(10) That all of said Breech E and Breech A Wells are at non-standard locations for the Blanco Mesaverde Pool and such locations must be separately approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Chacra and Mesaverde production within the wellbores of its Breech E Wells Nos. 109 in Unit M of Section 3 and 104 in Unit P of Section 5 and its Breech A Wells Nos. 627 in Unit B of Section 8, and 677 and 679 in Units L and J, respectively, of Section 9, and 207 in Unit O of Section 10, all in Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

(2) That 40 percent of the commingled gas production shall be allocated to the Chacra zone and 60 percent of the commingled gas production and 100 percent of the commingled oil production shall be allocated to the Mesaverde zone.

(3) That the operator of the subject wells shall immediately notify the Commission's Aztec district office any time any of 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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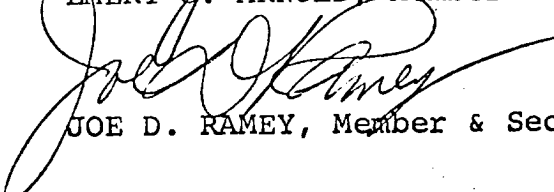
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/