

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:

Breach # 314
P-18-26-6

CASE NO. 6121
Order No. R-5648

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, seeks authority to commingle, within the wellbore, Pictured Cliffs and Chacra production in its wells located in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West and Sections 13, 14, 23, and 24 in Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- (3) That from the Pictured Cliffs zone, the subject wells are, or may be expected to be, capable of low rates of production only.
- (4) That from the Chacra zone, the subject wells, are or may be expected to be, capable of low rates of production only.
- (5) 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.
- (6) 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.

(7) 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.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject wells, 70 percent of the commingled production should be allocated to the Pictured Cliffs zone, and 30 percent of the commingled production to the Chacra zone.

(9) That if the pressure in either of the zones to be commingled under provisions of this order in any well be less than 50 percent of the pressure in the other zone in such well, or in the event that a producing potential of more than 200 MCF/day be established for each zone in any such well, the operator should notify the Secretary-Director of the Commission of such fact, and the Secretary-Director should order such action taken as he deems advisable, including the requirement for separation of the zones by dual completion equipment.

(10) That the downhole commingling of Pictured Cliffs and Chacra production in wells located on the above-described lands and subject to the above conditions will not cause but may prevent waste, and will not impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs and Chacra production within the wellbores of its wells in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24 in Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

(2) That 70 percent of the commingled production shall be allocated to the Pictured Cliffs zone and 30 percent of the commingled production shall be allocated to the Chacra 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 should the formation pressure in either the Pictured Cliffs zone or the Chacra zone in any well commingled pursuant to Order No. (1) above be less than 50 percent of the formation pressure in the other zone, or should both zones in any such well be calculated to have a producing potential in excess of 200 MCF per day, the operator shall notify the

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Secretary-Director of the Commission of such fact, and the Secretary-Director shall order such action taken as he may deem advisable, including the requirement for separation of the zones by conventional dual completion equipment.

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

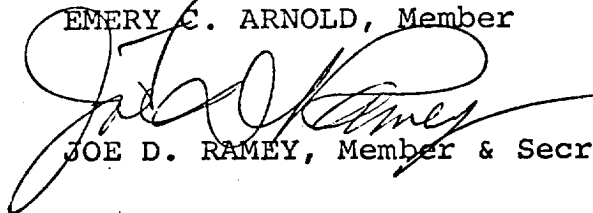
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/