

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. 6119
Order No. R-5634

APPLICATION OF CAULKINS OIL COMPANY FOR
A DUAL COMPLETION AND 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 31st day of January, 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 Well No. 228 to be located in Unit A of Section 18, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Pictured Cliffs, Chacra, and Mesaverde production within the wellbore of the above-described well.
- (4) That from the Pictured Cliffs, Chacra, and Mesaverde zones, the subject well is 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 well is 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 the subject well is shut-in for 7 consecutive days.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas production should be allocated to the Pictured Cliffs zone, 20 percent of the commingled gas production to the Chacra and 30 percent of the commingled gas and 100 percent of the commingled oil production to the Mesaverde zone.

(9) That the applicant further seeks authority to complete said Breech Well No. 228 as a dual completion (conventional) to produce gas from the commingled Pictured Cliffs, Chacra, and Mesaverde zones and gas from the Dakota zone through parallel strings of tubing with separation of the commingled zones from the Dakota zone to be achieved by means of a packer.

(10) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(11) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs, Chacra and Mesaverde production within the wellbore of the Breech Well No. 228, located in Unit A of Section 18, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That 50 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone, 20 percent of the commingled gas production shall be allocated to the Chacra zone, and 30 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 well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

IT IS FURTHER ORDERED:

(1) That the applicant is hereby authorized to complete said Breech Well No. 228 as a dual completion (conventional) to produce gas from the commingled Pictured Cliffs, Chacra, and Mesaverde zones through a string of 1 1/4-inch or larger tubing and gas from the Dakota zone through a string of 2 3/8-inch tubing set in a packer located at an approximate depth of 5100 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

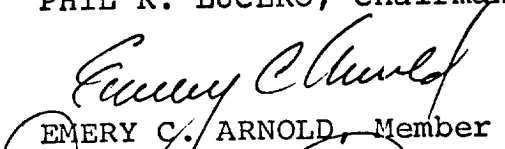
PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Deliverability Test Period for the Basin Dakota Pool.

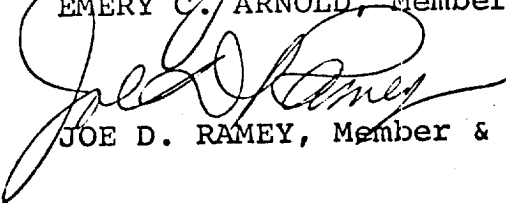
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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