

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. 5672
Order No. R-5212

APPLICATION OF HORACE F. MCKAY, JR.,
FOR DOWNGHOLE COMINGLING AND SIMULTANEOUS
DEDICATION, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1976,
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 18th day of May, 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, Horace F. McKay, Jr., is the owner
and operator of the Beardon Well No. 1A, located in Unit C of
Section 19, Township 29 North, Range 10 West, NMPM, San Juan
County, New Mexico.

(3) That the applicant seeks authority to comingling Aztec-
Fruitland and Aztec-Pictured Cliffs gas production within the
wellbore of the above-described well.

(4) That applicant further seeks approval for the simul-
taneous dedication of the NW/4 of said Section 19 to the above-
described well and to his Beardon Well No. 1 in Unit E of said
Section 19.

(5) That from the Aztec-Fruitland zone, the subject well is
capable of low rates of production only.

(6) That from the Aztec-Pictured Cliffs zone, the subject
well is capable of low rates of production only.

(7) That the proposed comingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

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(8) That the reservoir characteristics of each of the
subject zones are such that underground waste would not be caused
by the proposed comingling provided that the well is not shut-in
for an extended period.

(9) 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.

(10) That in order to allocate the comingling production to
each of the comingling zones in the subject well, 10 percent of
the comingling production should be allocated to the Aztec-Fruit-
land zone, and 90 percent of the comingling production to the
Aztec-Pictured Cliffs zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Horace F. McKay, Jr., is hereby
authorized to comingling Aztec-Fruitland and Aztec-Pictured Cliffs
production within the wellbore of the Beardon Well No. 1A,
located in Unit C of Section 19, Township 29 North, Range 10
West, NMPM, San Juan County, New Mexico.

(2) That 10 percent of the comingling production shall be
allocated to the Aztec-Fruitland zone and 90 percent of the
comingling production shall be allocated to the Aztec-Pictured
Cliffs zone.

(3) That applicant is further authorized to simultaneously
dedicate the NW/4 of said Section 19 to the above-described well
and to his Beardon Well No. 1 in Unit E of said Section 19.

(4) 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.

(5) 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

PHIL R. LUCERO, Chairman

Emery C. Arnold

EMERY C. ARNOLD, Member

Joe D. Ramey

JOE D. RAMEY, Member & Secretary

S E A L

jr/