

CASE 4129; Application of REDFERN  
DEVELOPMENT FOR GAS COMMINGLING,  
RIO ARriba COUNTY, NEW MEXICO.

Case Number.

4129

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Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1969 JUN 19 AM 8 29

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

May 7, 1969

EXAMINER HEARING

IN THE MATTER OF: )

Application of Redfern )  
Development Corporation )  
for gas commingling, )  
Rio Arriba County, New )  
Mexico. )

Case 4129

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. HATCH: Case 4129, application of Redfern Development Corporation for gas commingling, Rio Arriba County, New Mexico.

MR. KELLAHIN: May the record show the same appearances, Jason Kellahin for the Applicant, and the same witness, Mr. Dugan.

MR. UTZ: Let the record show the same appearances.

(Thereupon, Applicant's Exhibit No. 1 was marked for identification.)

THOMAS A. DUGAN,  
called as a witness by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please?

A Thomas A. Dugan.

Q Are you the same Mr. Dugan who testified in the preceding Case?

A Yes, sir.

Q Mr. Dugan, in connection with your work as a Consultant, have you done any work for Redfern Development Corporation in Case 4129?

A Yes, sir.

Q What is proposed by Redfern Development Corporation in this Case?

A To commingle gas produced from a dually completed well that is completed in the Gallup-Devil Fork Pool, and the Basin-Dakota Pool.

Q As the Case has been advertised, it provides that the production would be determined by means of subtraction after metering the Dakota gas. Is that the way the matter will be handled?

A No, sir. It became more practical to meter the Gallup formation, because of a steady flow and the location of equipment. So we at the present time are metering the Gallup formation, and then commingling both zones, and then metering the total gas after dehydration.

Q For the benefit of the Examiner, would you briefly review the conditions which brought about this application?

A Yes, sir. Originally, both zones were being metered by Southern Union in front of the dehydrator, and Southern Union was having a considerable amount of difficulty with hydrates forming in their meter. And then in January of this year, there was a fire in the meter house, which resulted in the injury of one of the Southern Union employees. At that time, Southern Union

requested Redfern to secure approval for metering one side, and using the subtraction method for the other side, so that the main meter could be located down stream of the dehydrator on the well.

Q Now, under the conditions that previously existed, was all the production going into the same pipeline?

A Yes, it was.

Q To the same purchaser?

A Yes.

Q And it was at the request of the purchaser, himself, that this proposal has been submitted to the Commission, is that correct?

A Yes, sir.

Q Now, how will this operation work, Mr. Dugan?

A Southern Union installed the Gallup meter as shown on the schematic diagram, and is maintaining this meter. Redfern Development Corporation is changing charts, and will integrate the charts to determine the Gallup production, and Southern Union will change charts and do the integration of the charts for the main meter. Southern Union will furnish us with the total gas produced from both zones of the well, and we will use the subtraction method to determine the amount of gas produced from the

Dakota formation.

Q In your opinion, will this accurately reflect the production from each of the two zones?

A Yes, sir.

Q And the reports to the Commission will show actually what was produced from the Dakota, and what was produced from the Gallup, in your opinion?

A Yes, sir.

Q And that figure can be used in determining the allowable production from the well from both zones?

A Yes, sir.

Q These are separately metered at the present time, is that correct, or is the installation already in?

A The installation is already in, and we are presently operating under administrative approval.

Q In your opinion, is this a logical solution to the problem that has been created by the hydrates found in this gas?

A Yes, sir.

Q Was Exhibit 1 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time, I offer in evidence

Exhibit No. 1.

MR. UTZ: Without objection, Exhibit No. 1 will be entered into the record.

(Thereupon, Applicant's Exhibit No. 1 was admitted in evidence.)

Q (By Mr. Kellahin) Mr. Dugan, are both the Dakota and the Gallup gas zones subject to proration by this Commission?

A Yes, sir.

Q Is that the reason the administrative approval could not be given to this completion?

A Yes, sir.

MR. KELLAHIN: That is all I have on direct examination.

#### CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Dugan, the Gallup zone is a pretty good zone yet in this well?

A Yes, sir, the well is capable of producing approximately 500 Mcf per day with the use of the compressor. The amount of production is really governed by the capacity of our compressor.

Q And the Dakota zone is quite marginal, is it?



A Yes, sir, it makes approximately 50 Mcf per day.

Q Now, this Dakota production unit, is that a separator?

A Yes, sir, this is a separator.

Q And the Gallup would be the same, right?

A Yes, sir. We have a Gallup meter and a Gallup production unit. It is a separator, three-phase. Both units are three-phase separator units. Both zones from the well makes some liquid hydrocarbons.

Q Where was the meter before Southern Union goofed?

A Actually, they were in one-meter-house, and were located where the Gallup meter is presently located, and then they were metered separately and then commingled just downstream of the meter run, and dehydrated through one dehydrator.

Q Now, the gas that is used in the compressor would be considered the least used gas, would it not?

A Yes, sir.

Q So other than that, all of the Gallup gas would be metered?

A Yes, sir.

Q And then you would take the total main meter gas

figure as reported to you by Southern Union, and subtract the Gallup meter volume from that, your Gallup meter volume?

A Yes, sir.

Q Which would be your Dakota production?

A Yes, sir.

Q And so any meter error between the two meters would all be charged to the Dakota side?

A Or taken away from the Dakota side, yes.

Q You are going to pull the charts on the Gallup meter, yourself?

A Yes, sir.

Q Who will integrate them?

A We will integrate them.

Q Couldn't you work out some kind of a deal with Southern Union to let them integrate the charts for you?

A Possibly. I don't know. I would like to, if I could.

Q I think it would be easier on you.

A I agree.

Q With as much fluctuation, you are going to have a pretty good job trying to average all those out.

A With the compressor running, the flow is very steady. If the compressor is down, there is no flow.

Q For proration purposes, I think we would be more concerned about the Gallup volume than we would the Dakota volume, because it is so marginal.

A Yes, sir.

MR. UTZ: Any other questions of the witness? You may be excused. Any statements? The Case will taken under advisement. The hearing is adjourned.

I N D E XWITNESSPAGE

THOMAS A. DUGAN

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Utz

6

EXHIBITSMARKEDADMITTED IN  
EVIDENCEApplicant's Exhibit  
No. 1

2

6





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. 4129

ORDER NO. R-3774

APPLICATION OF REDFERN DEVELOPMENT  
CORPORATION FOR GAS COMMINGLING,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 7, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1969, 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, Redfern Development Corporation,  
is the owner and operator of the Largo Spur Well No. 1, located  
in Unit J of Section 18, Township 24 North, Range 6 West, NMPM,  
Rio Arriba County, New Mexico.
- (3) That the aforesaid well is dually completed to produce  
gas from the Devils Fork-Gallup and Basin-Dakota Gas Pools.
- (4) That the aforesaid well is an extremely low marginal  
producer as to the Dakota zone.
- (5) That the applicant seeks an exception to Rule 21(A)  
of the General Rules and Regulations governing prorated gas pools  
in Northwest New Mexico, promulgated by Order No. R-1670, as  
amended, to commingle gas from the Gallup and Dakota zones of  
the subject well after passing each stream through an individual  
3-phase separator, separately metering the Gallup gas, passing  
the commingled stream through a dehydrator, metering the combined  
streams into Southern Union Gas Company's sales line, and deter-  
mining the Dakota gas production by subtracting the metered Gallup  
gas from the total metered gas.

(6) That approval of the subject application will result in convenience, economy, and increased safety to the operator, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Redfern Development Corporation, is hereby granted an exception to Rule 21(A) of the General Rules and Regulations governing prorated gas pools in Northwest New Mexico, promulgated by Order No. R-1670, as amended, to commingle gas from the Gallup and Dakota zones of its dually completed Largo Spur Well No. 1, located in Unit J of Section 18, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico;

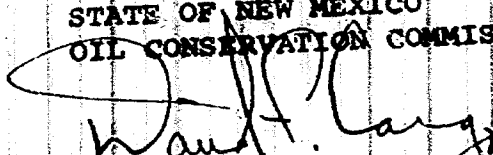
PROVIDED HOWEVER, that, prior to commingling, each stream shall pass through an individual 3-phase separator and the Gallup gas shall be separately and continuously metered; that after passing the commingled Gallup gas and Dakota gas through a dehydrator, said commingled stream shall be continuously metered; and that the Dakota production shall be determined by subtracting the metered Gallup gas from the total metered gas.

PROVIDED FURTHER, that subject to further direction by the Secretary-Director of the Commission, the charts from both meters shall be integrated by the purchaser of the gas.

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

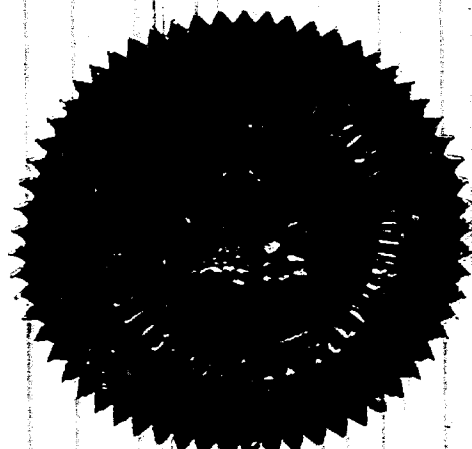
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMIJS, Member

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





Case 4129  
Held 5-7-69  
Rec. 5-8-69.

Grant Thomas A. Ryan  
Redfern Dev. Corp.  
permission to combine the  
Basin - Elk + Devils Fork -  
Gallup after metering  
separately the Devils Fork -  
Gallup. The combined  
stream shall be metered  
downstream from the  
dehydration equipment.  
The meter to flume  
~~flow of the combined~~  
flow of the Devils Fork -  
Gallup shall be subtracted  
from the metered combined  
to flume to determine the  
reported volume of the  
Basin - Dakota.  
The well is the Redfern  
& Herd. Largo Spout,  
D-18-240-166.  
This is allowed as an  
exception to Rule (21A)  
of Order R-1670

Trust  
[Signature]

OIL CONSERVATION COMMISSION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

April 11, 1969

Dugan Production Corporation  
P. O. Box 234  
Farmington, New Mexico 87401

Attention: Mr. Jim L. Jacobs

Gentlemen:

Reference is made to your letter dated March 12, 1969, wherein you request authority to commingle Gallup and Dakota gas from Redfern Development Corporation's Largo Spur Well No. 1 after separately metering the Dakota gas, passing the commingled stream through a compressor, and then metering the combined streams into Scuthern Union Gas Company's sales line. The Gallup production would be determined by subtracting the metered Dakota gas from the total metered gas.

Redfern Development Corporation is hereby authorized to measure the gas from both zones of the abovementioned well in the above-described manner.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Aztec  
Oil & Gas Engineering Committee - Hobbs  
Mr. Elvis A. Utz, Gas Engineer, OCC - Santa Fe

C  
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P  
Y

DOCKET MAILER  
Date 4-23-69  
No authority to  
administrate this order  
Set for hearing  
on May 7  
and leave  
this  
order in  
effect  
pending  
outcome  
of  
hearing.

(Ben  
notified  
Mr. Dugan  
4-18-69)  
E



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

April 11, 1969

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Farmington, New Mexico 87401

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Redfern Development Corporation is hereby authorized to measure the gas from both zones of the abovementioned well in the above-described manner.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Aztec  
Oil & Gas Engineering Committee - Hobbs  
Mr. Elvis A. Utz, Gas Engineer, OCC - Santa Fe

Post Office Box 234  
Zip Code 87401

# DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President

709 BLOOMFIELD RD.  
FARMINGTON, NEW MEXICO

March 12, 1969

TELEPHONE: 385-9184 Office  
385-5694 Home

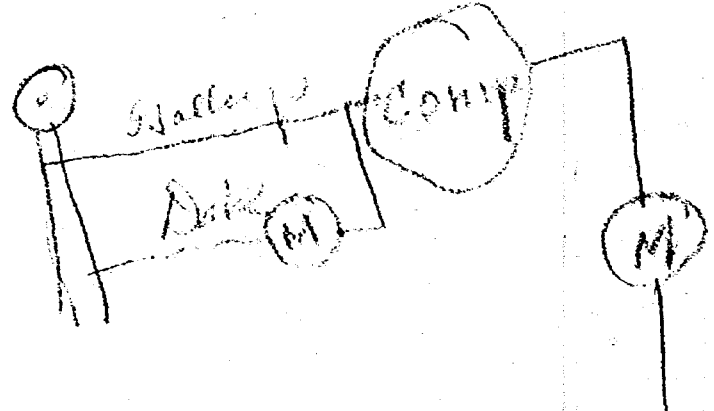
Area Code 505

69 MAR 13 AM 13

A

Mr. A. L. Porter  
Oil Conservation Commission  
Box 2083  
Santa Fe, New Mexico 87501

Re: Redfern Development Corp.  
Largo Spur #1  
J 18-T24H-R6W



Dear Mr. Porter:

We are asking for approval under rule 403 of the New Mexico Oil Conservation Commission Rules & Regulations to meter the gas from the Redfern Development Corp. Largo Spur #1 dually completed well in the following manner:

- (1) The Gallup formation will be hooked directly into a compressor.
- (2) The Dakota formation gas will be metered and then hooked into the compressor.
- (3) The Southern Union Gas Co. sales line will be tied into the outlet of the compressor.
- (4) The Gallup formation gas will be computed by subtracting the metered Dakota gas from the total metered gas.

Very truly yours,

*Jim L. Jacobs*  
Jim L. Jacobs

*de p.*

*Gable*

sc

cc: Emery Arnold

*Jan*  
*Sen*  
*Man*  
*oper*  
*Henry*  
*James*  
*Jack*  
*Ray*  
*John*  
*Alan*

Jan 68

17274

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2109

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Jan 69

10814

1123

$$\begin{array}{r} 173106 \\ \underline{\quad 13} \\ 173106 - 13 = 173093 \end{array}$$

$$\begin{array}{r} 21559 \\ \underline{\quad 13} \\ 21559 - 13 = 21546 \end{array}$$

Docket No. 13-69

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, Alternate Examiner:

CASE 4119: Application of Union Oil Company of California to directionally  
drill, Lea County, New Mexico. Applicant, in the above-styled  
cause, seeks authority to directionally drill its Owens Well  
No. 1 located 1980 feet from the North and East lines of Section  
34, Township 14 South, Range 35 East, Lea County, New Mexico.  
Said well was drilled to a total depth of 11,199 feet and plug-  
ged back to approximately 9,000 feet. Applicant proposes to  
set a whipstock at approximately 9,000 feet and to directionally  
drill to a depth sufficient to bottom said well in the Lower  
Hueco formation at a point approximately 2298 feet from the  
North line and 1662 feet from the East line of said Section 34  
(approximately 450 feet Southeast of the surface location.)

CASE 4120: Application of Sam Boren for the creation of a new gas pool,  
promulgation of special rules for the pool, a dual completion,  
and commingling, Lea County, New Mexico. Applicant, in the  
above-styled cause, seeks the creation of a new Wolfcamp gas  
pool for his Crowley State "A" Well No. 1 located in Unit L  
of Section 5, Township 12 South, Range 33 East, Lea County,  
New Mexico, and for the promulgation of special rules therefor,  
including a provision for 320-acre proration units.  
Applicant also seeks approval of the dual completion of said  
well to produce gas through the casing-tubing annulus from the  
aforesaid Wolfcamp pool and oil through tubing from the North  
Bagley-Lower Pennsylvanian Pool, commingling the liquid hydro-  
carbons from said pools on the lease. Applicant further seeks  
authority to commingle in the well-bore sufficient Wolfcamp gas  
to gas lift the Pennsylvanian oil.

CASE 4121: Application of Roger C. Hanks for special pool rules, Lea  
County, New Mexico. Applicant, in the above-styled cause, seeks  
the promulgation of special pool rules for the Bar U-Pennsyl-  
vanian Pool, Lea County, New Mexico, including a provision for  
160-acre spacing and proration units and the assignment of 80-  
acre allowables.

CASE 4122: Application of Roger C. Hanks for salt water disposal, Roosevelt  
County, New Mexico. Applicant, in the above-styled cause, seeks  
authority to dispose of produced salt water into the Devonian

Docket No. 13-69  
Examiner Hearing - May 7, 1969

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(Case 4122 continued)

formation in the interval from approximately 12,878 feet to 13,011 feet in his Atlantic Tebworth Well No. 1 located in the SW/4 SW/4 of Section 25, Township 8 South, Range 36 East, Allison Field, Roosevelt County, New Mexico.

CASE 4123: Application of Kersey and Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier and Lovington sands of the Grayburg formation through its Dublin Well No. 3 located in the NW/4 NE/4 of Section 3, Township 17 South, Range 29 East, Square Lake Pool, Eddy County, New Mexico.

CASE 3405: (Reopened) - TO BE CONTINUED TO MAY 21, 1969

In the matter of Case No. 3405 being reopened pursuant to the provisions of Order No. R-3081, which order established 640-acre spacing for the North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should or should not be developed on 320-acre spacing units.

CASE 4124: Application of Amerada Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the State H "A" COM Unit Area comprising 1,281 acres, more or less, of State lands in Sections 18, 19, and 30 of Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 4125: Application of Continental Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through ten wells in Sections 34 and 35, Township 16 South, Range 29 East, Forest-San Andres Pool, Eddy County, New Mexico.

CASE 4126: Application of Curtis Hankamer for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's wells located in Sections 12, 13, 14, and 24, Township 26 South, Range 29 East, Brushy-Draw Delaware Pool, Eddy County, New Mexico. Applicant seeks

Docket No. 13-69

Examiner Hearing - May 7, 1969

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(Case 4126 continued)

authority to continue to dispose of salt water produced by said wells in four unlined surface pits.

CASE 4127: Application of Curtis Hankamer for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's two wells located in Section 11, Township 24 South, Range 32 East, Double X-Delaware Pool, Lea County, New Mexico. Applicant seeks authority to continue to dispose of salt water produced by said wells in two unlined surface pits.

CASE 4128: Application of C. O. Fulton for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier and Lovington sands of the Grayburg formation through one well located in Unit D of Section 2, and two wells in Units D and P of Section 3, Township 17 South, Range 29 East, Square Lake Pool, Eddy County, New Mexico.

CASE 4117: (Continued from the April 23, 1969 Examiner Hearing) Application of Eastern Petroleum Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, permitting the drilling of wells on 2½-acre spacing provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

CASE 4118: (Continued from the April 23, 1969 Examiner Hearing)

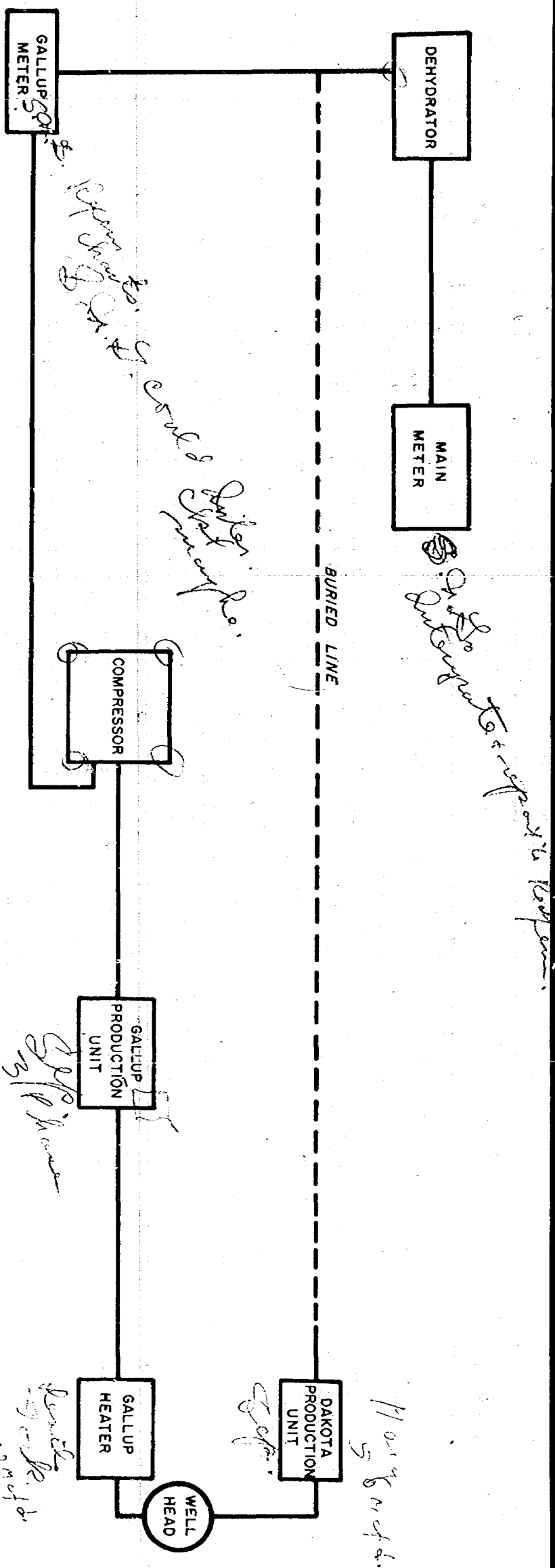
Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas production from undesignated Fruitland and Pictured Cliffs gas pools in the well-bore of its Federal "I" Well No. 4, located in the NE/4 NW/4 of Section 1, Township 29 North, Range 14 West, San Juan County, New Mexico.



Docket No. 13-69  
Examiner Hearing - May 7, 1969

-4-

← CASE 4129: Application of Redfern Development Corporation for gas commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Devils Fork-Gallup gas and Basin-Dakota gas after separately metering the Dakota gas and determining the Gallup production by means of the subtraction method. Said production is from the dually completed Largo Spur Well No. 1 located in Unit J of Section 18, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.



BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION  
 CASE NO. 4129  
 EXHIBIT NO. 1

**Schematic Diagram**  
**Production Installation**  
 REDFERN DEVELOPMENT CORP.  
 Largo Spur #1

DRAFT

GMH/esr  
May 13, 1969

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. 4129

Order No. R-3774

APPLICATION OF REDFERN DEVELOPMENT  
CORPORATION FOR GAS COMMINGLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 7, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this        day of May, 1969, 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, Redfern Development Corporation, is  
the owner and operator of the Largo Spur Well No. 1, located in  
Unit J of Section 18, Township 24 North, Range 6 West, NMPM, Rio  
Arriba County, New Mexico.

(3) That the aforesaid well is dually completed to produce  
gas from the Devils Fork-Gallup and Basin-Dakota Gas Pools.

(4) That the aforesaid well is an extremely low marginal producer of the Dakota zone.  
(5) That the applicant seeks an exception to Rule 21(A) of  
the General Rules and Regulations governing prorated gas pools  
in Northwest New Mexico, promulgated by Order No. R-1670, as  
amended, to commingle gas from the Gallup and Dakota zones of  
the subject well after separately metering the Gallup gas,  
passing the commingled stream through a dehydrator, metering

the combined streams into Southern Union Gas Company's sales line, and determining the Dakota gas production by subtracting the metered Gallup gas from the total metered gas.

(6) That approval of the subject application will result in convenience, economy, and increased safety to the operator, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Redfern Development Corporation, is hereby granted an exception to Rule 21(A) of the General Rules and Regulations governing prorated gas pools in Northwest New Mexico, promulgated by Order No. R-1670, as amended, to commingle gas from the Gallup and Dakota zones of its dually completed Largo Spur Well No. 1, located in Unit J of Section 18, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico;

PROVIDED HOWEVER, that, prior to commingling, <sup>each stream shall</sup> the Gallup gas shall be ~~continuously~~ <sup>separately and continuously</sup> metered; that after passing the commingled Gallup gas and Dakota gas through a dehydrator, said commingled stream shall be ~~continuously~~ <sup>continuously</sup> metered; and that the Dakota production shall be determined by subtracting the metered Gallup gas from the total metered gas.

(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.

→ Provided further, ~~that the Gallup meter be~~  
~~subject to further direction by the Secretary-Director~~  
to further direction by the Secretary-Director  
of the Commission, the charts from both  
meters shall be integrated by the purchaser  
of the gas.

*purchase to individual? please refer to panel*

Case  
Application of Redfern Development Corp.  
for gas commingling, Rio Arriba County,  
New Mexico.

Applicant, in the above-styled case, seeks  
authority to commingle Devils Fork - Gallup  
gas and Basin-Dakota gas after separately  
metering the Dakota gas and determining the  
Gallup production by means of the subtraction  
method. Said production is from the  
dualy completed Largo Spur Well No. 1  
located in Unit 5 of Section 18, Township  
24 North, Range 6 West, Rio Arriba  
County, New Mexico.