

Entered January 14, 1976
JLR

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. 5602
Order No. R-5146

APPLICATION OF CONSOLIDATED OIL &
GAS, INC. FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 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, Consolidated Oil & Gas, Inc., is the owner and operator of the Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L of Section 31, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant seeks authority to recomplete said wells in such a manner as to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland gas production within the wellbores of the same.
- (4) That from the Fulcher Kutz-Pictured Cliffs zone, the subject wells are capable of low rates of production only.
- (5) That from the Aztec-Fruitland 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 well is not shut-in for an extended period.

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(8) That the applicant should notify the Commission of the completion of said wells in the Fruitland zone.

(9) That should it be necessary, to prevent waste, the Secretary-Director of the Commission should have authority to rescind the commingling authorized by this order.

(10) 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.

(11) That the allocation of the commingled production to the Pictured Cliffs zone and the Fruitland zone in each of said wells should be in accordance with a formula agreed upon by the applicant and the supervisor of the Commission's district office at Aztec.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland production within the wellbore of its Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L, of Section 31, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

PROVIDED HOWEVER, that within 10 days of the completion of the Fruitland zone in each of said wells, the applicant shall notify the supervisor of the Commission's district office at Aztec of the completion of such well with sufficient detail to permit the Commission to evaluate the well's potential and the possibility of waste resulting from the wellbore commingling of the Pictured Cliffs and Fruitland zones.

PROVIDED FURTHER, that the Secretary-Director of the Commission may rescind the authority to commingle the Pictured Cliffs and Fruitland zones in any or all of said wells whenever it should appear that such continued commingling would result in waste.

(2) That the commingled production in said wells shall be allocated to the respective zones in accordance with a formula agreed upon by the applicant and the supervisor of the Commission's district office at Aztec within 45 days after the commingling of Pictured Cliffs and Fruitland production in each of said wells.

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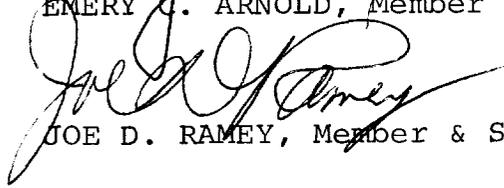
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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