

Entered January 25, 1977
JDR

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. 5688
Order No. R-5357

APPLICATION OF DUGAN PRODUCTION
CORPORATION 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 June 9, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of January, 1977, 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, Dugan Production Corporation, is
the owner and operator of the Jicarilla "E" Well No. 1, located
in Unit M of Section 21, Township 26 North, Range 3 West,
NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Tapacito-Pictured Cliffs and Blanco Mesaverde production
within the wellbore of the above-described well.

(4) That from the Pictured Cliffs zone, the subject well
is capable of low marginal production only.

(5) That from the Mesaverde zone, the subject well is
capable of low marginal 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.

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(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.

(8) 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.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 52 percent of the commingled hydrocarbon production should be allocated to the Pictured Cliffs zone, and 48 percent of the commingled hydrocarbon production to the Mesaverde zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dugan Production Corporation, is hereby authorized to commingle Tapacito-Pictured Cliffs and Blanco Mesaverde production within the wellbore of its Jicarilla "E" Well No. 1, located in Unit M of Section 21, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That 52 percent of the commingled hydrocarbon production shall be allocated to the Pictured Cliffs zone and 48 percent of the commingled hydrocarbon 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.

(4) 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

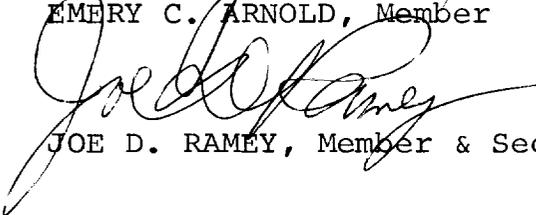
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hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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