

Entered April 12, 1977
JAX

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. 5884
Order No. R-5413

APPLICATION OF BCO, INC. FOR AN
UNORTHODOX LOCATION 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 April 6, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of April, 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, BCO, Inc., is the owner and operator
of the Dunn Well No. 1 located at an unorthodox Basin-Dakota
location in Unit M of Section 10, Township 23 North, Range 7 West,
NMPM, Rio Arriba County, New Mexico.
- (3) That said well was originally completed to produce
from the Gallup formation, but upon depletion of that zone, has
been deepened to the Dakota formation.
- (4) That the applicant further seeks authority to commingle
Greenhorn, Graneros, and Dakota production within the well bore
of the above-described well.
- (5) That although said well has not yet been completed in
any of the aforesaid formations, it is expected to be capable
of low marginal production only from each.

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

(7) That the known reservoir characteristics of each of the subject zones in the area of the subject well are such that underground waste would not be caused by the proposed commingling.

(8) That all production from the subject well should be attributed to the Dakota zone, inasmuch as only insignificant quantities are expected to be produced from the other two zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, BCO, Inc., is hereby authorized to commingle Greenhorn, Graneros, and Dakota production within the wellbore of its Dunn Well No. 1 located at an unorthodox Dakota location in Unit M of Section 10, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That all production from the subject well shall be attributed to the Dakota formation.

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

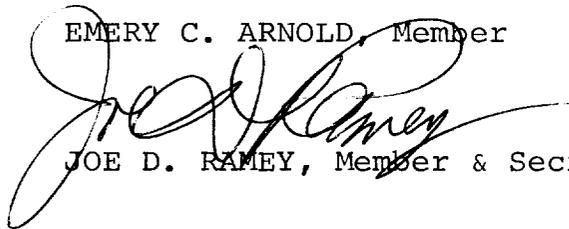
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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