

Entered December 20, 1978

JSR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 6146 DE NOVO  
Order No. R-5665-A

APPLICATION OF JEROME P. MCHUGH  
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 February 8, 1978, before Examiner Daniel S. Nutter, and on November 14, 1978, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of December, 1978, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Jerome P. McHugh, is the owner and operator of the Jicarilla Well No. 5, located in Unit D of Section 29, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Tapacito-Gallup and Basin-Dakota production within the wellbore of the above-described well.

(4) That during September and October, 1978, the Gallup formation in the subject well produced an average of 100 MCF of gas and 1.7 barrels of oil per day.

(5) That during September and October, 1978, the Dakota formation in the subject well produced an average of 89 MCF of gas and 0.8 barrels of oil per day.

(6) That the production decline curve for the Gallup formation in the subject well indicates an abnormal decline for the latter portion of the curve.

(7) That this abnormal decline for the Gallup formation can be attributed to fluid loading and inefficient flow through the tubing casing annulus.

(8) That by downhole commingling the Gallup and Dakota and producing both pools through the tubing from said well, flow from the Gallup will be more efficient.

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

(10) 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.

(11) That to afford the Division 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 Division any time the subject well is shut-in for 7 consecutive days.

(12) That in order to allocate the commingled production to each of the commingled zones in the subject well, applicant should consult with the supervisor of the Division's Aztec office to arrive at an allocation formula.

IT IS THEREFORE ORDERED:

(1) That the applicant, Jerome P. McHugh, is hereby authorized to commingle Tapacito-Gallup and Basin-Dakota production within the wellbore of the Jicarilla Well No. 5, located in Unit D of Section 29, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec District Office of the Division and determine an allocation formula for the allocation of production to each zone of the subject well.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

Page 3  
Case No. 6146  
Order No. R-5665-A

(4) That Division Order No. MC-1837 is hereby superseded.

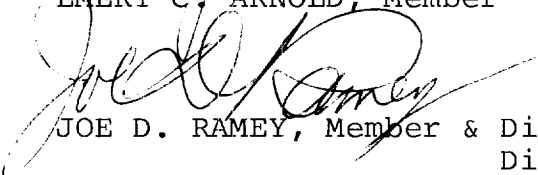
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Division  
Director

S E A L

fd/