

Entered February 13, 1980
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6801
Order No. R-6267

APPLICATION OF CAULKINS OIL COMPANY
FOR A DUAL COMPLETION AND DOWNHOLE
COMMINGLING, RIO ARRIBA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 30, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of February, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Caulkins Oil Company, seeks authority to complete its Breech "C" Well No. 248-E, located in Unit D of Section 13, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce commingled Tapacito-Gallup and Dakota production and commingled Chacra and Mesaverde production through parallel strings of tubing.
- (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (4) That from each of said zones, the subject well is expected to be capable of marginal production only.
- (5) 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.

(6) 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 and that a packer and check valve are installed above the Dakota zone to prevent Gallup formation liquids from coming in contact therewith.

(7) 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.

(8) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

(9) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to complete its Breech "C" Well No. 248-E, located in Unit D of Section 13, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce commingled Tapacito-Gallup and Dakota production through one string of tubing and to produce commingled Chacra and Mesaverde production through a parallel string of tubing, with separation of the commingled zones to be achieved by means of a packer set at approximately 5600 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Deliverability Test Period for either the Blanco Mesaverde or Basin-Dakota Pool.

PROVIDED FURTHER, that the applicant shall install a packer and check valve between the Gallup and Dakota zones in such a manner as to prevent Gallup formation liquids from coming in contact with the Dakota zone.

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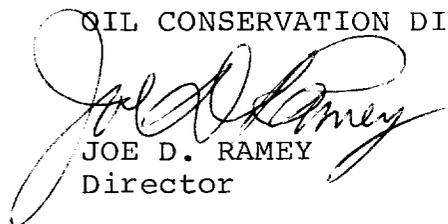
(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

(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.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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