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. 6909
Order No. R-6375

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR 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 June 4, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this ___18th___ day of June, 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, El Paso Natural Gas Company, is the owner and operator of the Rincon Unit Well No. 164, located in Unit L of Section 2, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

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

(4)   That from the Basin-Dakota zone, the subject well is capable of low marginal production only.

(5)   That from the Largo-Gallup zone, the subject well is expected to be 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.

(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 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.

(9)   That in order to allocate the commingled production to each of the commingled zones in the wells, 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.

(10)   That the Division should reserve the right to rescind the authority for downhole commingling of the subject zones in the subject well if the reservoir and producing characteristics of the Gallup zone prove to be incompatible with the Dakota zone and waste would be prevented by such rescission.

IT IS THEREFORE ORDERED:

(1)   That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle Basin-Dakota and Largo-Gallup production within the wellbore of the Rincon Unit Well No. 164, located in Unit L of Section 2, Township 26 North, Range 7 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 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 the Division reserves the right to rescind the commingling authority herein contained if the reservoir and producing characteristics of the Gallup zone in the subject well are incompatible to inefficient commingling of said zone with the Basin Dakota Pool and if it appears that waste will be prevented by such rescission.

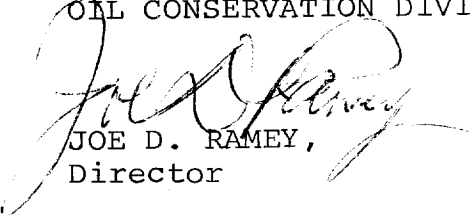(5)   That jurisdiction of this cause is retained for the
entry of such further orders as the Division may deem
necessary.

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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