

Entered February 10, 1981  
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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. 7121  
Order No. R-6572

APPLICATION OF FLAG-REDFERN OIL  
CO. FOR DOWNHOLE COMMINGLING,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 1981, 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, Flag-Redfern Oil Co., is the owner and operator of the Aloha Wells Nos. 1 and 2, located in Units L and D, respectively, of Section 16, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant seeks authority to commingle Pinon-Fruitland and Fulcher Kutz-Pictured Cliffs production within the wellbores of the above-described wells.
- (4) That from the Pinon-Fruitland zone, the subject wells are capable of low rates of production only.
- (5) That from the Fulcher Kutz-Pictured Cliffs zone, the subject wells are capable of low rates of production only.

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(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 said Aloha Wells No. 1 and 2, 90 percent and 50 percent, respectively, of the commingled production should be allocated to the Pinon-Fruitland zone, and 10 percent and 50 percent, respectively, of the commingled production to the Fulcher Kutz-Pictured Cliffs zone.

(10) That during January, 1982, the applicant should consult with the supervisor of the Aztec district office of the Division to determine allocation formulas for each of the production zones in said Aloha Well No. 1 should production trends warrant such a change.

IT IS THEREFORE ORDERED:

(1) That the applicant, Flag-Redfern Oil Co., is hereby authorized to commingle Pinon-Fruitland and Fulcher Kutz-Pictured Cliffs production within the wellbore of the Aloha Wells Nos. 1 and 2, located in Units L and D, respectively, of Section 16, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

(2) That 90 percent and 50 percent, respectively, of the commingled production shall be allocated to the Pinon-Fruitland zone and 10 percent and 50 percent, respectively, of the commingled production shall be allocated to the Fulcher Kutz-Pictured Cliffs zone in said Aloha Wells Nos. 1 and 2.

(3) That during January, 1982, the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine a modified allocation formula for said Aloha Well No. 1 should production trends warrant the same.

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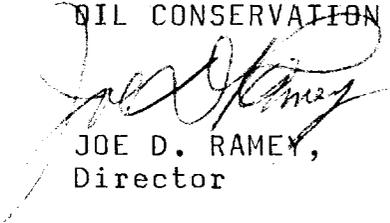
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(4) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(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 hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY,  
Director

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