

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. 6847
Order No. R-6313

APPLICATION OF TENNECO OIL COMPANY
FOR DUAL COMPLETIONS AND 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 March 26, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of April, 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, Tenneco Oil Company, seeks authority to dually complete, in such a manner as to produce gas from the Dakota formation and commingled Chacra and Mesa-verde production through parallel strings of tubing, ten proposed wells to be located as follows:

in Township 29 North, Range 10 West: Unit C, Section 19; Unit N, Section 19; Unit A, Section 30; and Unit D, Section 30; in Township 29 North, Range 11 West: Unit G, Section 24; Unit O, Section 24; Unit A, Section 25; Unit D, Section 25; Unit M, Section 25; and Unit P, Section 25.

(3) That at the hearing the applicant amended the subject application to eliminate the request for dual completion of the commingled Chacra/Mesaverde zones with the Dakota zone for five of the proposed wells to be located as follows:

in Township 29 North, Range 10 West: Unit C, Section 19 and Unit D, Section 30; in Township 29 North, Range 11 West: Unit O, Section 24; Unit D, Section 25; and Unit P, Section 25.

(4) That the Chacra and Mesaverde zones in each of the ten wells proposed to be drilled are expected to be capable of low rates of production.

(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 any such well is not shut-in for an extended period.

(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 any of the subject wells is shut-in for 7 consecutive days.

(8) 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.

(9) That the mechanics of the proposed dual completions are feasible and in accord with good conservation practices.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized to commingle Chacra and Mesaverde production within the wellbore of ten proposed wells to be located as follows:

in Township 29 North, Range 10 West: Unit C, Section 19; Unit N, Section 19; Unit A, Section 30; and Unit D, Section 30; in Township 29 North, Range 11 West: Unit G, Section 24; Unit O, Section 24; Unit A, Section 25; Unit

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D, Section 25; Unit M, Section 25; and Unit P, Section 25; all in San Juan County, New Mexico.

(2) That the applicant is further authorized to dually complete in such a manner as to produce gas from the commingled Chacra and Mesaverde zones and gas from the Dakota zone five of said wells located as follows:

in Township 29 North, Range 10 West: Unit N, Section 19; Unit A, Section 30; in Township 29 North, Range 11 West: Unit G, Section 24; Unit A, Section 25; and Unit M, Section 25, each of said wells being equipped with parallel strings of tubing and a packer between the commingled zones and the Dakota.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said wells 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;

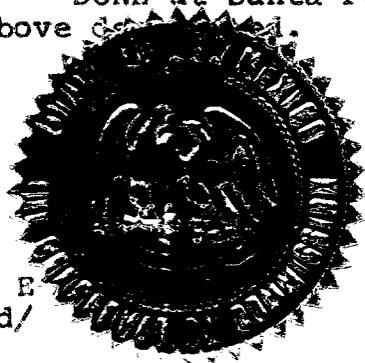
PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Deliverability Test Period for gas wells in Northwest New Mexico.

(3) 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 each of the subject wells.

(4) That the operator of the subject wells shall immediately notify the Division's Aztec district office any time any of the commingled wells 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 stated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

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fd/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
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April 17, 1980

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Re: CASE NO. 6847
ORDER NO. R-6313

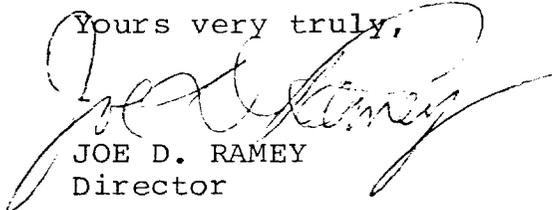
Applicant:

Tenneco Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____
