

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. 8296
Order No. R-7651

NOMENCLATURE

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 8, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of August, 1984, 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, Amoco Production Company, is the owner and operator of the Fred Phillips "C" Well No. 3 located in Section 15, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Mesaverde, Gallup and Dakota production within the wellbore of the above-described well, the NW/4 of said Section 15 to be dedicated to the well, and in all wells subsequently to be drilled on these leases which include all of Section 10 and the N/2 of said Section 15, Township 25 North, Range 3 West.

(4) That said well and said sections all lie adjacent to the Ojito Gallup-Dakota Oil Pool.

(5) That the Ojito Gallup-Dakota Oil Pool should be extended to include said sections.

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(6) That from the Mesaverde zone, the subject well and wells expected to be completed in said Sections 10 and 15 are expected to be capable of low rates of production only.

(7) That from the Gallup-Dakota zone, the subject well and wells expected to be completed in said Sections 10 and 15 are expected to be capable of low rates of production only.

(8) 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.

(9) 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 no well commingled under terms of this order is shut-in for an extended period.

(10) 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 well commingled under terms of this order is shut-in for 7 consecutive days.

(11) 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.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1984, the Ojito Gallup-Dakota Oil Pool, as previously defined and described in Rio Arriba County, New Mexico, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 9: N/2, SE/4, N/2 SW/4 and SE/4 SW/4
Section 10: All
Section 15: N/
Section 16: NE/4 and E/2 NW/4

(2) That the applicant, Amoco Production Company, is hereby authorized to commingle Mesaverde and Gallup-Dakota production within the wellbore of the Fred Phillips "C" Well No. 3 in Section 15, Township 25 North, Range 3 West, and in

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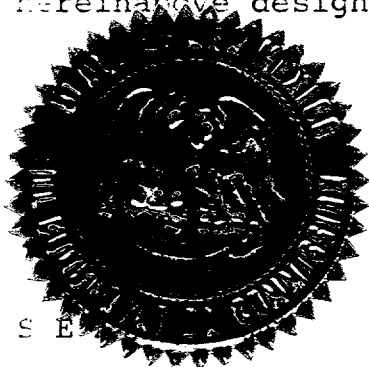
all wells subsequently to be drilled on said lease in Section 10 and the N/2 of said Section 15, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(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 well shall immediately notify the Division's Aztec district office any time any well commingled under terms of this order 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
JOE D. RAMEY
Director