

BEFORE THE OIL AND GAS COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5795  
Order No. R-5205-A

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR AN EXCEPTION TO THE  
PROVISIONS OF ORDER NO. R-1670,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 27, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the operator of certain wells on its Northeast Haynes Lease which comprises the S/2 of Section 9, S/2 of Section 10, all of Sections 15 and 16, N/2 of Section 21, and N/2 of Section 22, Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That by Commission Order No. R-5205, dated April 27, 1976, applicant was authorized to commingle Otero-Gallup and Basin-Dakota production in the wellbores of its Wells Nos. 1 through 8, located in Unit L of Section 9, Units D and P of Section 16, Unit E of Section 21, Unit E of Section 22, Unit D of Section 15, Unit L of Section 10, and Unit P of Section 15, respectively, on said Northeast Haynes Lease, allocating production to each of the respective commingled zones in each well in accordance with a percentage formula prescribed by said order.

(4) That the applicant now seeks an exception to the provision of Rule 21(A) of the General Rules and Regulations for the pro-rated gas pools of Northwestern New Mexico which requires

separate measurement for all gas wells in order to commingle the combined Gallup-Dakota production from all of the aforesaid wells in a common tank battery and to allocate production to each of the wells on the basis of periodic well tests.

(5) That all of the aforesaid wells are of marginal nature in both the Gallup and Dakota zones.

(6) That the ownership of all of said wells is common throughout.

(7) That approval of the proposed commingling of production will permit compression of the produced gas at the common tank battery and better enable it to enter the pipe line, will extend the life of the wells thereby preventing waste, and will not impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle the production from the following wells in Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico:

|                           |    |      |   |         |    |
|---------------------------|----|------|---|---------|----|
| Northeast Haynes Well No. | 1✓ | Unit | L | Section | 9  |
| " " " "✓                  | 2✓ | "    | D | "       | 16 |
| " " " "✓                  | 3✓ | "    | P | "       | 16 |
| " " " "✓                  | 4✓ | "    | E | "       | 21 |
| " " " "✓                  | 5✓ | "    | E | "       | 22 |
| " " " "✓                  | 6✓ | "    | D | "       | 15 |
| " " " "✓                  | 7✓ | "    | L | "       | 10 |
| " " " "✓                  | 8✓ | "    | P | "       | 15 |

and to allocate production to each of said wells on the basis of well tests conducted at least quarterly on each of said wells, total metered gas sold, and gas consumed on the lease.

(2) That upon determination of the total production from each well, applicant shall determine the production from each zone in said well in accordance with the provisions of Commission Order No. R-5205.

(3) That applicant shall file Commission Form C-111 each month showing thereon the total takes from each zone of each of the aforesaid wells during the preceding month.


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

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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