

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. 8573
Order No. R-7980

APPLICATION OF CAULKINS OIL 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 April 24, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of July, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing Division Cases Nos. 8573, 8574, and 8575 were consolidated for the purpose of testimony.

(3) The applicant, Caulkins Oil Company, is the owner and operator of the following described wells:

State "A" Well No. 113-E
1110' FSL - 950' FEL
Unit P, Section 2

Breach "B" Well No. 172-E
890' FSL - 990' FWL
Unit M, Section 7

Breach "D" Well No. 685-E
858' FSL - 927' FEL
Unit P, Section 11

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Breech "C" Well No. 689
1850' FSL - 790' FWL
Unit L, Section 12

Breech "C" Well No. 689-M
920' FSL - 1100' FEL
Unit P, Section 12

Breech "C" Well No. 248
1140' FNL - 900' FEL
Unit A, Section 13

Breech "A" Well No. 229-M
1120' FNL - 890' FEL
Unit A, Section 17

Breech "D" Well No. 341-M
1850' FNL - 1800' FWL
Unit F, Section 21

All in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(4) The applicant seeks authority to commingle production from the Blanco Mesaverde and Basin Dakota Gas Pools within the wellbores of the above-described wells.

(5) From the Blanco Mesaverde Gas Pool, the subject wells are expected to be capable of low production only.

(6) From the Basin Dakota Gas Pool, the subject wells are expected to be capable of low production only.

(7) The proposed commingling should result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) 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.

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

(10) 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 THAT:

(1) The applicant, Caulkins Oil Company, is hereby authorized to commingle Blanco Mesaverde Gas Pool and Basin Dakota Gas Pool production within the wellbores of the following wells:

State "A" Well No. 113-E ✓
1110' FSL - 950' FEL
Unit P, Section 2

Breech "B" Well No. 172-E ✓
890' FSL - 990' FWL
Unit M, Section 7

Breech "D" Well No. 685-E ✓
858' FSL - 927' FEL
Unit P, Section 11

Breech "C" Well No. 689 ✓
1850' FSL - 790' FWL
Unit L, Section 12

Breech "C" Well No. 689-M ✓
920' FSL - 1100' FEL
Unit P, Section 12

Breech "C" Well No. 248 ✓
1140' FNL - 900' FEL
Unit A, Section 13

Breech "A" Well No. 229-M ✓
1120' FNL - 890' FEL
Unit A, Section 17

Breech "D" Well No. 341-M ✓
1850' FNL - 1800' FWL
Unit F, Section 21

All in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) The applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an

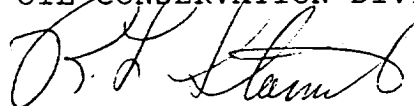
allocation formula for the allocation of production to each zone in each of the subject wells.

(3) The operator shall immediately notify the Division's Aztec district office any time any well downhole 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.

(4) 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



R. L. STAMETS,
Director

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