

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

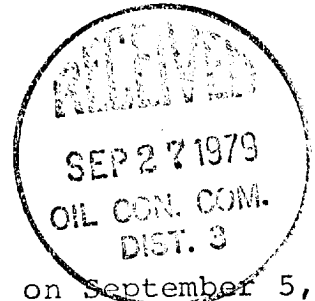
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6638
Order No. R-6120

APPLICATION OF LADD PETROLEUM
CORPORATION FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:



This cause came on for hearing at 9 a.m. on September 5, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of September, 1979, 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, Ladd Petroleum Corporation, is the owner and operator of the Lindrith Well No. 24, located in Unit F of Section 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Largo-Gallup and Basin-Dakota production within the wellbore of the above-described well.
- (4) That from the Largo-Gallup zone, the subject well is capable of low rates of production only.
- (5) That from the Basin-Dakota zone, the subject well is capable of low rates of production only.
- (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.

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(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 the applicant should provide for the production of the commingled hydrocarbons through the long tubing string.

(9) 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.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 72 percent and 30 percent of the commingled gas and oil production, respectively, should be allocated to the Largo-Gallup zone, and 28 percent and 70 percent of the commingled gas and oil production, respectively, to the Basin-Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Ladd Petroleum Corporation, is hereby authorized to commingle Largo-Gallup and Basin-Dakota production within the wellbore of the Lindrith Well No. 24, located in Unit F of Section 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That 72 percent and 30 percent of the commingled gas and oil production, respectively, shall be allocated to the Largo-Gallup zone and 28 percent and 70 percent of the commingled gas and oil production, respectively, shall be allocated to the Basin-Dakota zone.

(3) That the operator shall provide for production of the commingled hydrocarbons through the long string of tubing by unlatching from the packer or by perforating the tubing immediately above such packer.

(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.

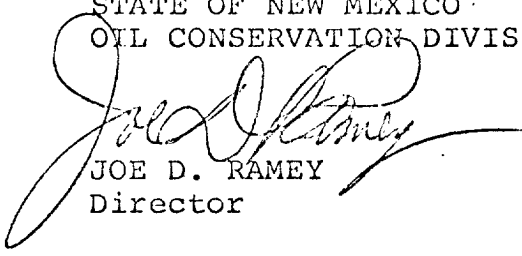
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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