

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7280
Order No. R-6756

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR A DUAL COMPLETION
AND DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:



This cause came on for hearing at 9 o'clock a.m. on July 29, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of August, 1981, 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, Northwest Pipeline Corporation, seeks authority to dually complete its Rosa Unit Well No. 77, located in Unit L of Section 33, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.

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

(4) That from the Gallup zone, the subject well is capable of low marginal production only.

(5) That from the Dakota zone, the subject well is capable of low marginal 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.

(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 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.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 29 percent of the commingled gas production and all of the oil production should be allocated to the Gallup zone, and 71 percent of the commingled gas production to the Dakota zone.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Northwest Pipeline Corporation, is hereby authorized to dually complete its Rosa Unit Well No. 77, located in Unit L of Section 33, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through parallel strings of tubing with separation of the Mesaverde zone from the commingled zones to be achieved by means of a packer located at a depth of approximately 6030 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well 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 Annual Deliverability Test Period for gas wells in Rio Arriba County, New Mexico.

(2) That 29 percent of the commingled gas and all of the commingled oil production shall be allocated to the Gallup zone

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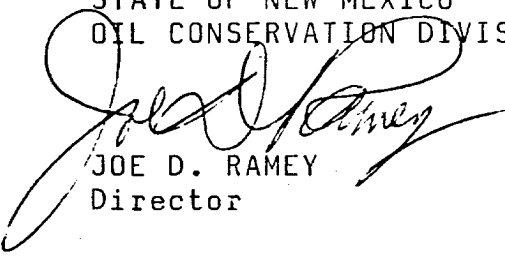
and 71 percent of the commingled gas production shall be allocated to the Dakota zone.

(3) 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.

(4) 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
Director

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