

CASE 5954: CAULKINS OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO

Page 22 of 22

Case Number

5954

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 22, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company for)
downhole commingling, Rio Arriba County,)
New Mexico.)

CASE
5954
(Cont'd.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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I N D E X

Page

CHARLES VERQUER

Direct Examination by Mr. Kellahin

3

EXHIBIT INDEX

Offered Admitted

Applicant Exhibit One, Plat	4	8
Applicant Exhibit Two, Shut-in Pressures	5	8
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1 MR. STAMETS: We will call next Case 5954.

2 MS. TESCHENDORF: Case 5954, application of Caulkins
3 Oil Company for downhole commingling, Rio Arriba County,
4 New Mexico.

5 MR. KELLAHIN: Tom Kellahin, Kellahin and Fox,
6 appearing on behalf of Caulkins Oil Company and I have one
7 witness to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9
10 CHARLES VERQUER

11 called as a witness, having been first duly sworn, was examined
12 and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom employed
17 and in what capacity?

18 A My name is Charles Verquer, I'm employed by Caulkins
19 Oil Compy, Superintendent in charge of operations in the
20 Northwest Area.

21 Q Mr. Verquer, you have previously testified before
22 the Commission and had your qualifications accepted and made
23 a matter of record, have you not?

24 A I have.

25 Q Have you made a study of and are you familiar with

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1 the facts surrounding this particular application?

2 A. Yes, sir.

3 MF. KELLAHIN: If the Examiner please, are the
4 witness' qualifications acceptable?

5 MR. STAMETS: They are.

6 Q (Mr. Kellahin continuing.) Mr. Verquer, would you
7 refer to what has been marked as Exhibit Number One, identify
8 it and tell us what Caulkins Oil Company is seeking to
9 accomplish?

10 A. Yes, sir, Exhibit One is a nine-section plat of the
11 well in question, identified by a red arrow and the offset
12 acreage and wells.

13 Q What is the name and footage location for your well?

14 A. It's the Breech 368 located in Unit I of Section 23,
15 26, 7 West.

16 Q Okay, what do you propose to do with this well?

17 A. The well is a Pictured Cliff-Chacra producer and
18 they are both marginal wells and our thought is to commingle
19 the production from both zones in the wellbore in an effort
20 to help keep that Chacra zone clean from the bottom, it does
21 produce a little bit of water, you know, it's not fresh water
22 but it does produce a little bit of water and it being a very
23 marginal well we hope to add some of the gas lift from the
24 Pictured Cliff above the tubing set down to the perforations
25 in the Chacra to help keep the well clean.

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1 Q Would you refer to Exhibit Number Two and identify
2 it?

3 A Exhibit Number Two is shut-in pressures, both the
4 seven day and the three day pressures as taken since the
5 initial pressures through 1976. I do have pressures that
6 were taken this past week.

7 Q Would you give us those pressures, please?

8 A The seven day shut-in pressure on the Pictured Cliff
9 was three twenty-five.

10 Q Three twenty-five, that is the shut-in Pictured Cliff?

11 A Yes.

12 Q Okay.

13 A And the seven day shut-in pressure on the Chacra was
14 four thirty-three.

15 Q And the date of that test?

16 A June 18th, '77.

17 Q All right, sir, Exhibit Number Three, would you
18 identify that?

19 A It's just a pressure decline curve for both the
20 Chacra and the Pictured Cliff from the tabulation.

21 Q And Exhibit Number Four?

22 A That's the monthly production for both the Pictured
23 Cliff and the Chacra zones when they were first connected to
24 the Gas Company of New Mexico lines through April 1977.

25 Q What is your total cumulative production for each zone?

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1 A. The cumulative from the Pictured Cliff is a hundred
 2 million two hundred and ten thousand and thirty-four million
 3 four hundred and thirty four thousand for the Chacra.

4 Q. Please identify Exhibit Number Five?

5 A. Exhibit Number Five is just a graph showing the
 6 production for both zones, the Pictured Cliff and the Chacra.

7 Q. Exhibit Number Six, please?

8 A. Exhibit Number Six shows our mechanics of what we
 9 propose to do. It shows that we plan to pull the tubing,
 10 remove the inch and a quarter that is now being used for the
 11 Chacra and then run one inch and sting through the packer,
 12 Model D packer, and set it in the perforations of the Chacra
 13 for the commingled production, if approved.

14 Q. Mr. Verquer, do you have a recommendation to the
 15 Examiner on how you propose to allocate production between the
 16 two zones?

17 A. My proposal would be seventy-four percent of all of
 18 the gas to the Pictured Cliff and twenty-six percent to the
 19 Chacra.

20 Q. How did you reach that recommendation?

21 A. I arrived at them by using the previous total
 22 production, cumulative production numbers, and came up with that
 23 percent point.

24 Q. In your opinion, Mr. Verquer, is the pressure
 25 differential between the two zones significantly large enough

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1 to cause cross flow between the two zones or to damage either
 2 formation?

3 A. I don't feel that it would be as long as the well is
 4 not shut in for over a seven-day period which would be normal
 5 for a test period.

6 Q. Do either one of these zones make any liquids?

7 A. No hydrocarbons, just water. There is very little
 8 pressure and both do just make a very insignificant amount
 9 of water. I would say the Chacra, a barrel and a half a day,
 10 and the Pictured Cliff a barrel a month.

11 Q. In your opinion, Mr. Verquer, will approval of the
 12 application be in the best interests of conservation, the
 13 prevention of waste and the protection of correlative rights?

14 A. That it will.

15 Q. In the event the application is not granted, will
 16 you have to abandon either one or both of these zones?

17 A. No, sir.

18 Q. Will you recover additional hydrocarbons that would
 19 otherwise not be recovered in the event the application is
 20 approved?

21 A. We feel that we will. May I add, it is also as an
 22 experiment, we have other wells completed in the same zones
 23 and we want to experiment with one before we jump off and try
 24 it on every one.

25 Q. Were Exhibits One through Six prepared by you

1 directly or under your direction and supervision?

2 A. They were prepared by me.

3 MR. KELLAHIN: We move the introduction of Exhibits
4 One through Six and that concludes our examination.

5 MR. STAMETS: These exhibits will be admitted.

6 (THEREUPON, Applicant Exhibits One through
7 Six were admitted into evidence.)

8 MR. STAMETS: Anything further in this case?

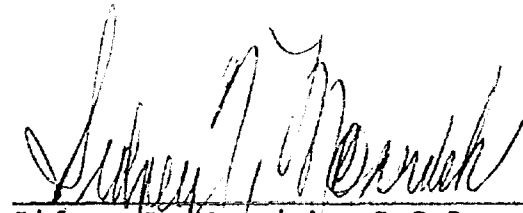
9 MR. KELLAHIN: No, sir.

10 MR. STAMETS: We will take the case under advisement.
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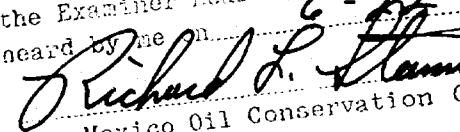
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5954.
heard by me on 6-23-1977.
 Examiner
New Mexico Oil Conservation Commission

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
8 June 1977

IN THE MATTER OF:

Application of Caulkins Oil Company)
for downhole commingling, Rio Arriba) CASE
County, New Mexico.) 5954

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Tom Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

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1 MR. NUTTER: Call Case Number 5954.

2 MS. TESCHENDORF: Case 5954. Application of
3 Caulkins Oil Company for downhole commingling, Rio Arriba
4 County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin & Fox,
6 appearing on behalf of the Caulkins Oil Company.

7 My witness broke down in Gallina and requests that
8 the case be continued until June 22nd. He has tried but
9 failed to make it.

10 MR. NUTTER: Case Number 5954 will be continued
11 to the Examiner Hearing scheduled to be held at this same
12 place at 9:00 o'clock A. M., June 22nd, 1977.

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Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledgo, skill
and ability.

Sally Walton Boyd
Sally Walton Boyd, C. S. R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the hearing of Case No. 5954
heard by me on 6/8 1977.
[Signature] Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
June 29, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5954
ORDER NO. R-5479

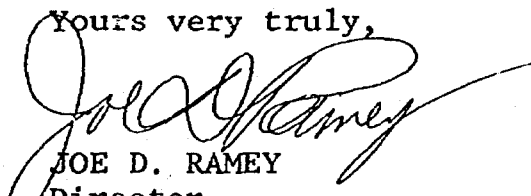
Applicant:

Caulkins Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	<u>X</u>
Artesia OCC	<u>X</u>
Aztec OCC	<u>X</u>

Other _____

BEFORE THE OIL CONSERVATION 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. 5954
Order No. R-5479

APPLICATION OF CAULKINS OIL COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARriba
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 22, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of June, 1977, 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, Caulkins Oil Company, is the
owner and operator of the Breech Well No. 368, located in
Unit I of Section 23, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Pictured Cliffs and Chacra production within the wellbore of
the above-described well.

(4) That from the Pictured Cliffs zone, the subject
well is capable of low rates of production only.

(5) That from the Chacra 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.

-2-

Case No. 5954
Order No. R-5479

(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 Commission 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 Commission 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, 74 percent of the commingled production should be allocated to the Pictured Cliffs zone, and 26 percent of the commingled production to the Chacra zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs and Chacra production within the wellbore of the Breech Well No. 368, located in Unit I of Section 23, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That 74 percent of the commingled production shall be allocated to the Pictured Cliffs zone and 26 percent of the commingled production shall be allocated to the Chacra zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E

dr/

CAULKINS OIL COMPANY

Well Number 368

Unit I of Section 23 26N 7W

Rio Arriba County, New Mexico

Case No. 5954

Proposal

Commingle Chacra and Pictured Cliffs zones in wellbore.

Ownership and all working interests are common for this well.

Exhibit # 1

9 section diagram showing this well and all offset wells.

Exhibit # 2

Tabulation of shut in pressure for Pictured Cliffs and Chacra zones.

Exhibit # 3

Pressure decline curves for Pictured Cliffs and Chacra zones from tabulation.

Exhibit # 4

Tabulation of monthly production for both Chacra and Pictured Cliffs zone from Initial month, April 1975 thru April 1977.

Exhibit # 5

Production curves for both Pictured Cliffs and Chacra zones.

Exhibit # 6

Mechanic's of commingleing and proposed recommendation for allotting future production.

EPOCHAL

Well Number: Breech 368

Unit I Section 23 26N 7W

Rio Arriba County, New Mexico

Case No. 595

2 West

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BBB

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6552

地址：上海南京路100号
 电话：021-23112345
 邮编：200001

Pictured Cliffs Well

Chakra Well

Pictured Cliffs-Chacra Dual Well

Dakota Well

Mesa Verde National Monument
 1906-1907

Frequency of Cell Phone Use	Value Added
1	1.00
2	1.00
3	1.00
4	1.00
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CITADELO® No. 820-3

CROSS SECTION - 20 SQUARES TO INCH

26
N

SHUT IN PRESSURES

Breech 368

Case No. 5954

<u>Year</u>	<u>Pictured Cliffs-</u>	<u>Chacra</u>
1974	733	982 Initial Pressure
1975	610	725
1976	362	532

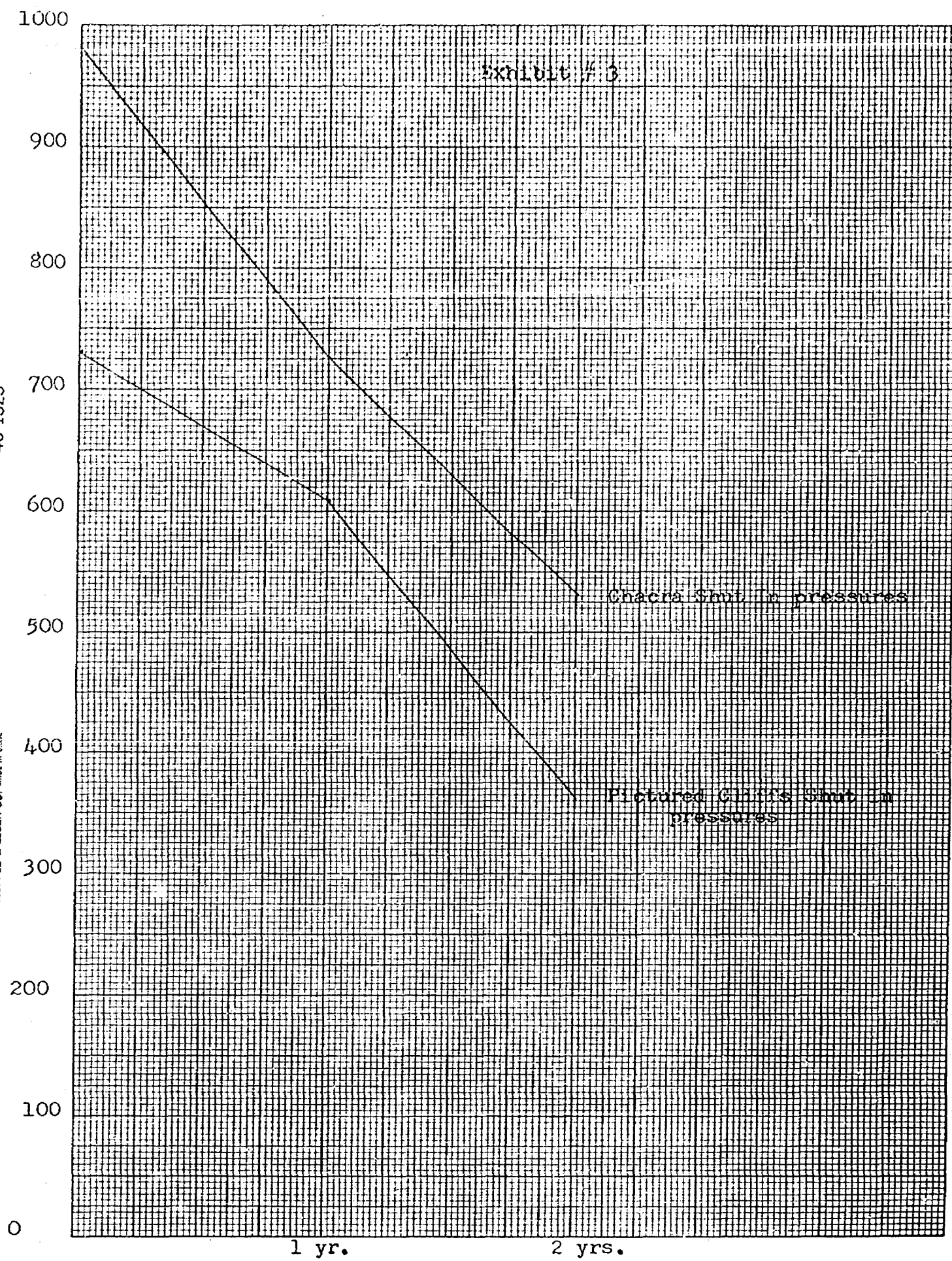
Above pressures after 7 day shut In

1974	733	982 Initial 7 day SI
1975	439	708 3 day shut in
1976	344	551 ditto

PC 325 }
ch 433 } 1977 7 day SI

46 1323

K-E 10 X 10 TO 1/4 INCH 7 X 10 INCHES
KEUFFEL & ESSER CO. MADE IN U.S.A.



Well No. 368

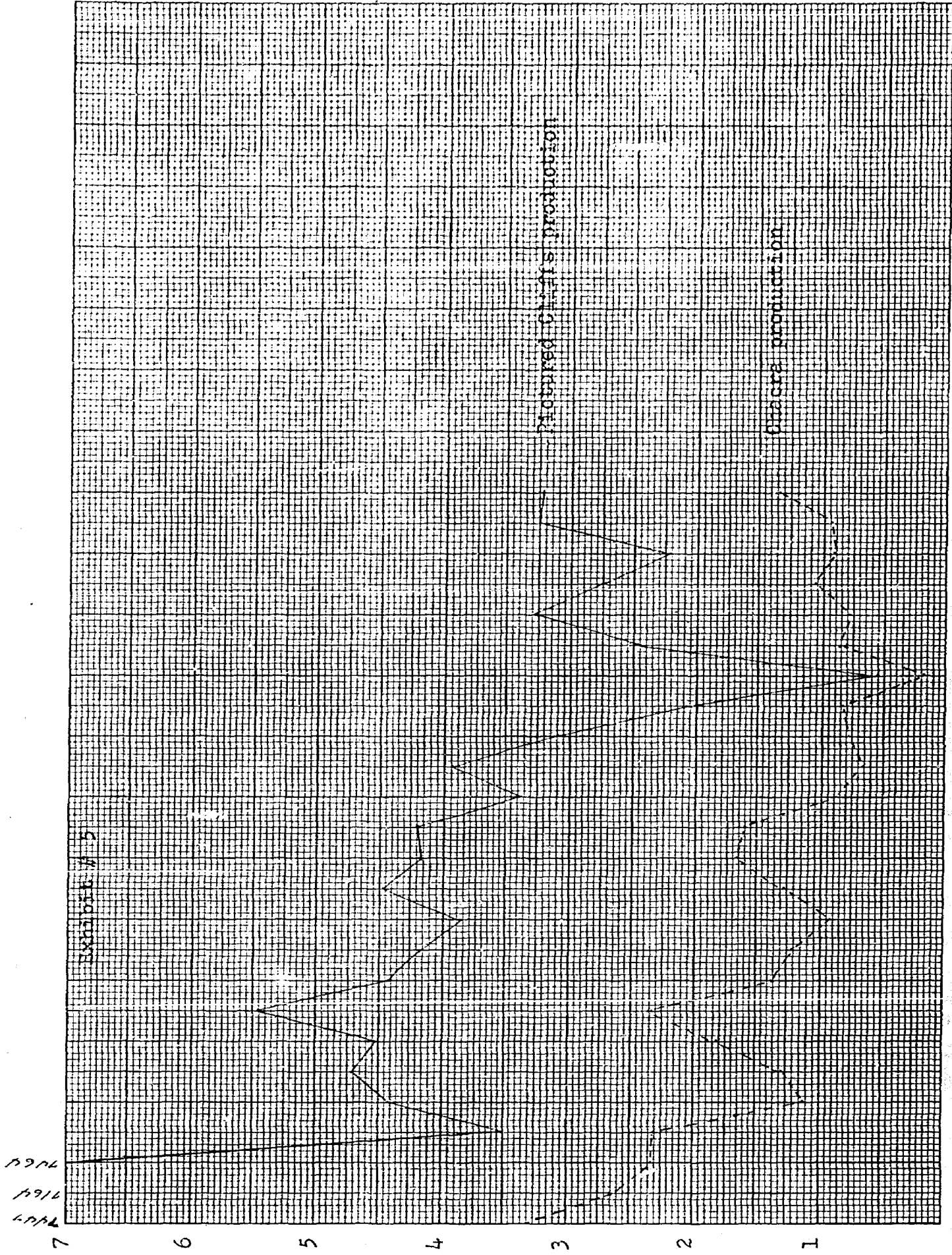
Case No. 5954

Monthly Gas Production

<u>Date</u>	<u>Pictured Cliffs Zone</u>	<u>Chacra Zone</u>
April (1975)	7447	3281
May	7164	2646
June	7464	2326
July	3514	2323
August	4431	1132
September	4716	1308
October	4526	1825
November	5450	2360
December	4424	1355
January (1976)	4181	1215
February	3872	930
March	4484	1267
April	4172	1654
May	4200	1600
June	3364	884
July	3947	663
August	3095	759
September	2067	843
October	531	188
November	2455	864
December	3269	777
January (1977)	2750	1051
February	2208	917
March	3250	935
April	3228	1331
Cum	100,210	34,434

KOE 10 X 10 TC 1/2 INCH 7 X 10 INCHES
KELFFEL & ESSER CO. MADE IN U.S.A.

46 1323



25 month's production April 1975 thru April 1977

Exhibit # 6

Well No. 368

Case No. 5954

Mechanic's

It is proposed to pull 1" NU 10 rd. thd. tubing now used for Pictured Cliffs production, then pull 1 1/4" IJ tubing with seal assy. now being used for Chacra production and salvage same.

1" NU 10 rd thd. tubing will then be run to Chacra perforations and set at approx. 3600'.

Production allotment proposal:

If commingleing approved future production would be allocated 74% to Pictured Cliffs and 26% to Chacra.

Above percentage rates are the same as past average production rates.

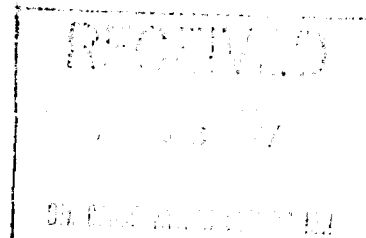
- CASE 5950: Application of Joe Don Cook for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of produced salt water from his State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico, into an earthen evaporation pit in said Section 2.
- CASE 5951: Application of Odessa Natural Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 32, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5952: Application of Hudson & Hudson for unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of 14 oil wells to be drilled at the following locations:
- 25 feet from the North and East lines of Units B, C, D, E, F, G, J, K, M, and O; and 25 feet from the North line and 330 feet from the East line of Units A, H, I, and P, all in Section 25, Township 17 South, Range 31 East, Maljamar Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 5953: Application of Rice Engineering & Operating, Inc., for amendment of Order No. R-5384, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5384 to extend the injection interval in its Hobbs Salt Water Disposal Well No. 16 located in Unit P of Section 16, Township 19 South, Range 38 East, Lea County, New Mexico, to include the total open-hole section from 4176 feet to 10,008 feet.
- CASE 5954: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Freesh Well No. 368 located in Unit I of Section 23, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5955: Application of Perroc Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Foxie-Federal Well No. 2 to be drilled in the center of Unit O of Section 12, Township 20 South, Range 28 East, Eddy County, New Mexico, the E/2 of said Section 12 to be dedicated to the well.
- CASE 5956: Application of Continental Oil Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the E/2 NE/4, NW/4 NE/4, and NE/4 SE/4 of Section 27, Township 20 South, Range 38 East, Warren-Tubb Gas Pool, Lea County, New Mexico, to be dedicated to its Warren Unit Well No. 42 located in Unit I of said Section 27.
- CASE 5957: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Chacra and South Blanco-Pictured Cliffs production in the wellbores of its AXI Apache "J" Wells Nos. 9 and 11, located in Units O and A, respectively, of Section 6, and Wells Nos. 10 and 12, located in Units A and K of Section 5, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5958: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacra production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24 located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21, in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5959: In the matter of the application of the Oil Conservation Commission on its own motion to consider the creation, extension, and abolishment of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:
- a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the North Cato-San Andres Pool. The discovery well is the Cleary Petroleum Corporation Federal "15" Well No. 1 located in Unit M of Section 15, Township 7 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
Section 15: SW/4

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

May 12, 1977



Case
5954

TELEPHONE 982-4315
AREA CODE 505

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed is the application of Caulkins Oil Company
for approval of down-hole commingling, Rio Arriba County,
New Mexico.

It is requested that this application be set for hearing
on June 8, 1977.

Yours very truly,

A handwritten signature in cursive script that reads "Jason Kellahin".

Jason W. Kellahin

CC: Mr. Arnold E. Raether

JWK:kfm

Enclosure

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
APPROVAL OF DOWN-HOLE COMMINGLING,
RIO ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Caulkins Oil Company and applies to the Oil Conservation Commission of New Mexico for approval of down-hole commingling of production in its Breech 368 well, located in the NE/4 SE/4 Section 23, Township 26 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to commingle production from the Pictured Cliffs formation and the Chacra formation in the well bore of its Breech 368 well.
2. Production from the chacra is marginal, and has declined as to the Pictured Cliffs formation, and commingling of production in the wellbore will prolong the life of the well, result in the production of hydrocarbons that would not otherwise be recovered, and will prevent waste.
3. The proposed commingling will not result in damage to either reservoir, and correlative rights will be fully protected.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as

required by law the Commission enter its order approving
commingling as requested.

Respectfully submitted,

CAULKINS OIL COMPANY

By Jason Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

dr/

BEFORE THE OIL CONSERVATION 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. 5954

Order No. R-5479

APPLICATION OF CAULKINS OIL COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8 1977, at Santa Fe, New Mexico, before Examiner Richard L. Staudt ~~Daniel G. Nutter~~.

NOW, on this day of June, 1977, 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, Caulkins Oil Company, is the owner and operator of the Breech Well No. 368, located in Unit I of Section 23, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Pictured Cliffs and Chacra production within the wellbore of the above-described well.

(4) That from the Pictured Cliffs zone, the subject well is capable of low ~~marginal~~ ^{rates of} production only.

(5) That from the Chacra zone, the subject well is capable of low ~~marginal~~ ^{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.

Case No. _____
Order No. R- _____

(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 Commission 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 Commission 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, 74 percent of the commingled W production should be allocated to the Pictured Cliffs zone, and 26 percent of the commingled W production to the Chacra zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs and Chacra production within the wellbore of the Breech Well No. 368, located in Unit I of Section 23, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That 74 percent of the commingled W production shall be allocated to the Pictured Cliffs zone and 26 percent of the commingled W production shall be allocated to the Chacra zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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