

CASE 6439: CAULKINS OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARriba COUNTY, *ny*
NEW MEXICO

CASE NO.

6439

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:)

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

CASE
6439

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

Nye Reporting Service, Inc.
Certified Shorthand Reporters
621 Old Santa Fe Trail - Suite 7
Santa Fe, New Mexico 87501

I N D E X

CHARLES VERQUER

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Direct Examination by Mr. Kellahin

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Examination by Mr. Stamets

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E X H I B I T S

Exhibit Number One, Ownership Map

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Exhibit Number Two, Plat of Well No. 229

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Exhibit Number Three, Tabulation of Production &
Pressures for Mesaverde & Dakota Zones

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Exhibits Number Four and Four-A, Decline Curves for
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Exhibit Number Five, Production Record of Three
Wells, 1978

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Exhibit Number Six, Proposed Mechanics of
Commingling

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4 County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Santa Fe, New
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10 MR. STAMETS: Let the record so show and the
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12 CHARLES VERQUER
13 being called as a witness and having been duly sworn upon
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20 MR. STAMETS: Is this just a straight arith-
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22 and say that's what it is?

23 MR. VERQUER: Yes.

24 MR. STAMETS: So the Mesaverde represents 11%
25 of the total production then for the gas?

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20 gas out here at San Ysidro. I don't know where it went, but
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22 Q Will you look at Exhibit Number Five and tell
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6 Q Are these the closest Mesaverde-Dakota com-
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12 33, 27 north 6 west. Breech E-64 is in Unit A of Section 1,
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15 Q What's the purpose of Exhibit Five?

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17 one, of 64. We found some mechanical problems when we pulled
18 a tubing in the well and the production jumped dramatically
19 after commingling. As you notice, the first figure, May of
20 1976, we produced 6,231; produced 16,116 in the first month
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22 Q Now, each of these wells -- oh, I see. The
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24 A Yes.

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5 run another string, inch-and one-quarter, to the Dakota per-
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7 Q Were Exhibits One through Six prepared by you?

8 A They were.

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

12 A It will.

13 MR. KELLAHIN: We move the introduction of
14 Exhibits One through Six.

15 MR. STAMETS: These Exhibits will be admitted.

16 EXAMINATION

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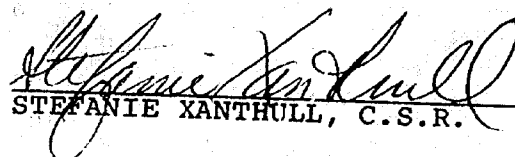
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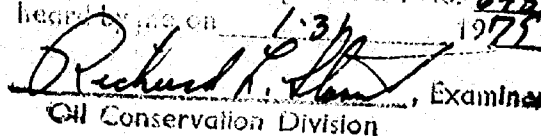
19 (Hearing Concluded.)
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REPORTER'S CERTIFICATE

I, STEFANIE XAHNTULL, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.


STEFANIE XANTHULL, C.S.R.

I do hereby certify that the foregoing is a correct and true transcript in the case of No. 6431, heard by me on 1-31-1975.


Richard R. Lane, Examiner
Oil Conservation Division

Nye Reporting Service, Inc.
Certified Shorthand Reporters
621 Old Santa Fe Trail - Suite 7
Santa Fe, New Mexico 87501

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3 I, STEFANIE XANTHULL, a court reporter, DO HEREBY
4 CERTIFY that the foregoing and attached Transcript of Hearing
5 before the Oil Conservation Division was reported by me;
6 that the said transcript is a full, true, and correct record
7 of the hearing, prepared by me to the best of my ability,
8 knowledge, and skill, from my notes taken at the time of the
9 hearing.

10
11 STEFANIE XANTHULL, C.S.R.
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17 I do hereby certify that the foregoing is
18 a complete and correct transcript of the proceedings in
19 the hearing of Case No. 6439,
20 heard by the Oil Conservation Division on 12.31.79.
21 Richard A. [Signature], Examiner
22 Oil Conservation Division
23
24
25

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JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 21, 1979

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(505) 827-2434

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

Re: CASE NO. 6439
ORDER NO. R-5923

Applicant:

Caulkins Oil Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC _____
Artesia OCC _____
Aztec OCC _____

Other _____

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. 6439
Order No. R-5923

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 9 a.m. on January 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of February, 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, Caulkins Oil Company, is the owner and operator of the Breech A Well No. 229, located in Unit D of Section 17, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Mesaverde and Dakota production within the wellbore of the above-described well.
- (4) That from the Mesaverde 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.

-2-

Case No. 6439
Order No. R-5923

(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, 11 percent and 16 percent of the commingled gas and condensate production, respectively, should be allocated to the Mesaverde zone, and 89 percent and 84 percent of the commingled gas and condensate production, respectively, to the Dakota zone.

(10) That the dual completion provisions of Division Order No. R-2939 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Mesaverde and Dakota production within the wellbore of the Breech A Well No. 229, located in Unit D of Section 17, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That 11 percent and 16 percent of the commingled gas and condensate production, respectively, shall be allocated to the Mesaverde zone and 89 percent and 84 percent of the commingled gas and condensate production, respectively, 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 the dual completion provisions of Division Order No. R-2939 are hereby superseded.

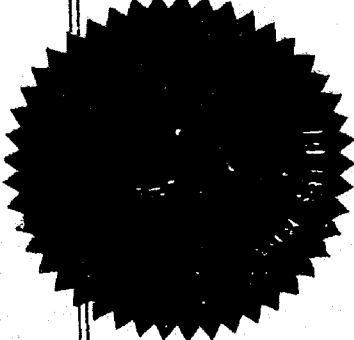
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 6439
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

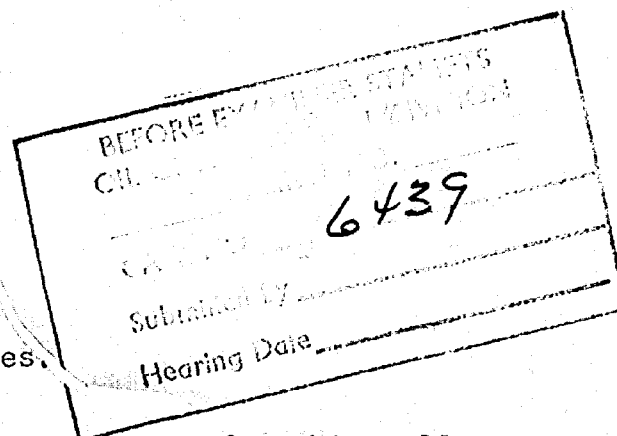
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY
Director

fd/

Breech A 229
Case No.



Proposal

Commingle Mesa Verde and Dakota Zones.

Both zones are classed marginal.

Ownership and all working interests are common for this well.

Exhibit # 1

Section map showing well and all offset wells.

Exhibit # 2

Plat showing well location and direct offset wells in Section 8, 17, and 20 and east half Section 7, 18, and 19 are in 26N 6 6W, Rio Arriba County, New Mexico.

Exhibit # 3

Tabulation of all shut in pressures, Cumulative yearly gas and oil production, 1965 thur 1977.

Proposed percentage breakdown for each zone.

Exhibit # 4

Pressure and production curves for Mesa Verde zone from tabulations exhibit # 3.

Exhibit # 4 A

Pressures and production curves for Dakota zone form tabulations exhibit #3.

Exhibit # 5

Production records previous and after Commingling Mesa Verde and Dakota zones of following wells.

Breech E	64	Unit A	Sec. 1 26N 6W
Breech F	4	Unit A	Sec. 33 27N 6W
Breech D	341	Unit B	Sec. 21 26N 6W

Exhibit # 6

Mechanic's

Breech A 229
Case No.

Proposal

Commingle Mesa Verde and Dakota Zones.

Both zones are classed marginal.

Ownership and all working interests are common for this well.

Exhibit # 1

Section map showing well and all offset wells.

Exhibit # 2

Plat showing well location and direct offset wells in Section 8, 17, and 20 and east half Section 7, 18, and 19 are in 26N 6W, Rio Arriba County, New Mexico.

Exhibit # 3

Tabulation of all shut in pressures, Cumulative yearly gas and oil production, 1965 thru 1977.

Proposed percentage breakdown for each zone.

Exhibit # 4

Pressure and production curves for Mesa Verde zone from tabulations exhibit # 3.

Exhibit # 4 A

Pressures and production curves for Dakota zone from tabulations exhibit #3.

Exhibit # 5

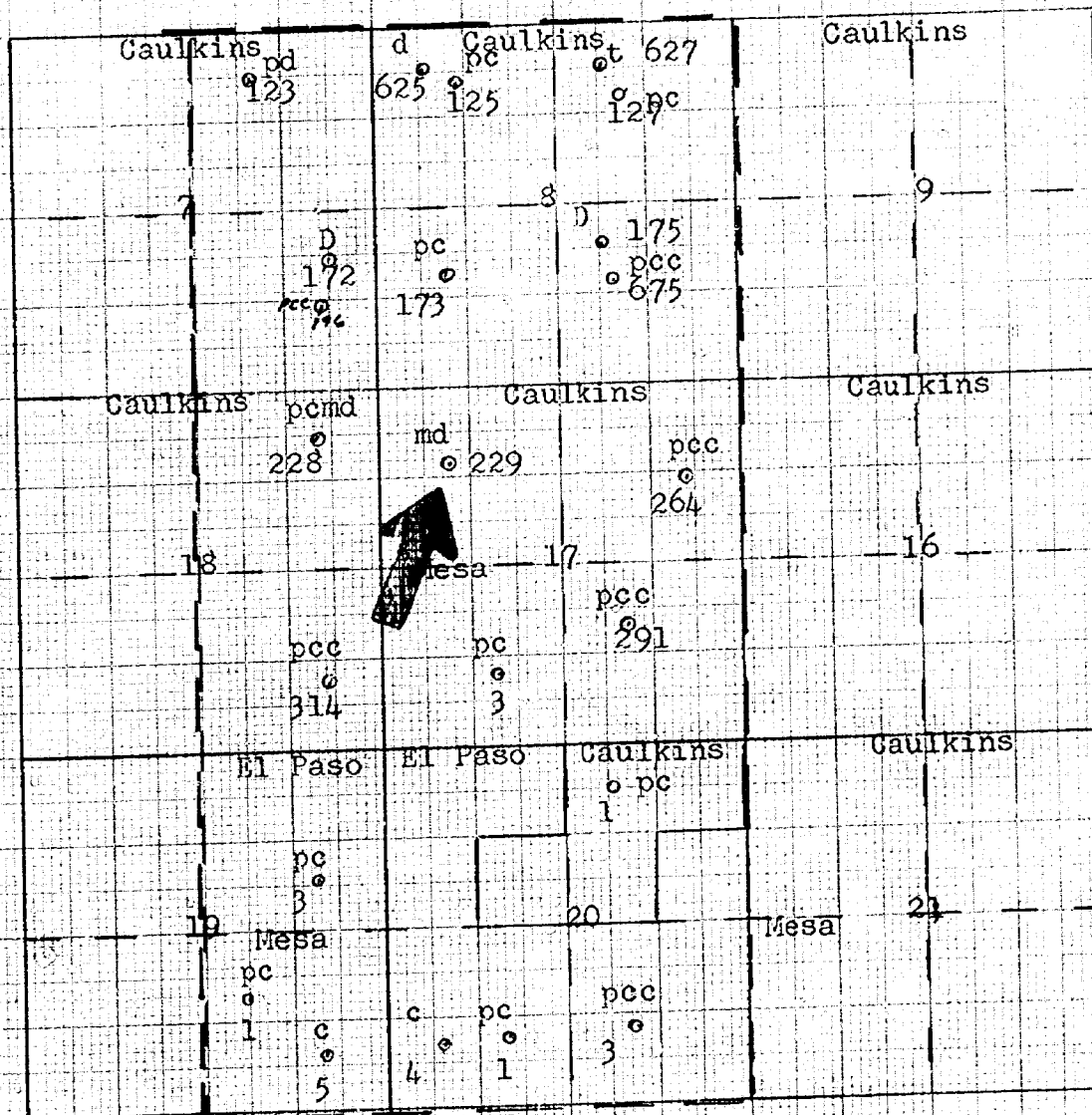
Production records previous and after Commingling Mesa Verde and Dakota zones on following wells.

Breech E	64	Unit A	Sec. 1 26N 6W
Breech F	4	Unit A	Sec. 33 27N 6W
Breech D	341	Unit B	Sec. 21 26N 6W

Exhibit # 6

Mechanic's

CAULKINS OIL COMPANY
 Breech A 229
 Unit D Section 17 26N 6W
 Rio Arriba County, New Mexico



pd Pictured Cliffs - Dakota
 pc Pictured Cliffs
 T Tocito
 pcc Pictured Cliffs - Chacra
 pcmd Pictured Cliffs - Chacra
 md Mesa Verde - Dakota
 c Chacra

MASSOBE EXAMINER STAMETS
 OIL CONSERVATION DIVISION
 CASE NO. 6439
 Submitted by
 Hearing Date 1-31-79

46 1473

10 X 10 TO 10 INCH 7 1/2 X 10 INCHES
 K. E. KUPFEL & L. S. CO. MADE IN U.S.A.

Breech A 229
Unit D Section 17 26N 6W
Yearly Production and Pressures

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 3
CASE NO. 6439
Submitted by _____
Hearing Date 1-31-79

Mesa Verde Zone

Date	Pressure	Gas Prod.	Oil Prod.
1965	953	4,584	0
1966	953	22,328	1,320
1967	672	7,368	454
1968	727	7,582	159
1969	712	6,156	69
1970	762	6,827	59
1971		10,605	127
1972	614	15,772	201
1973	572	16,365	125
1974	492	22,361	115
1975		17,938	133
1976	442	15,470	160
1977		17,608	24

Cum. Total 170,964 2,946

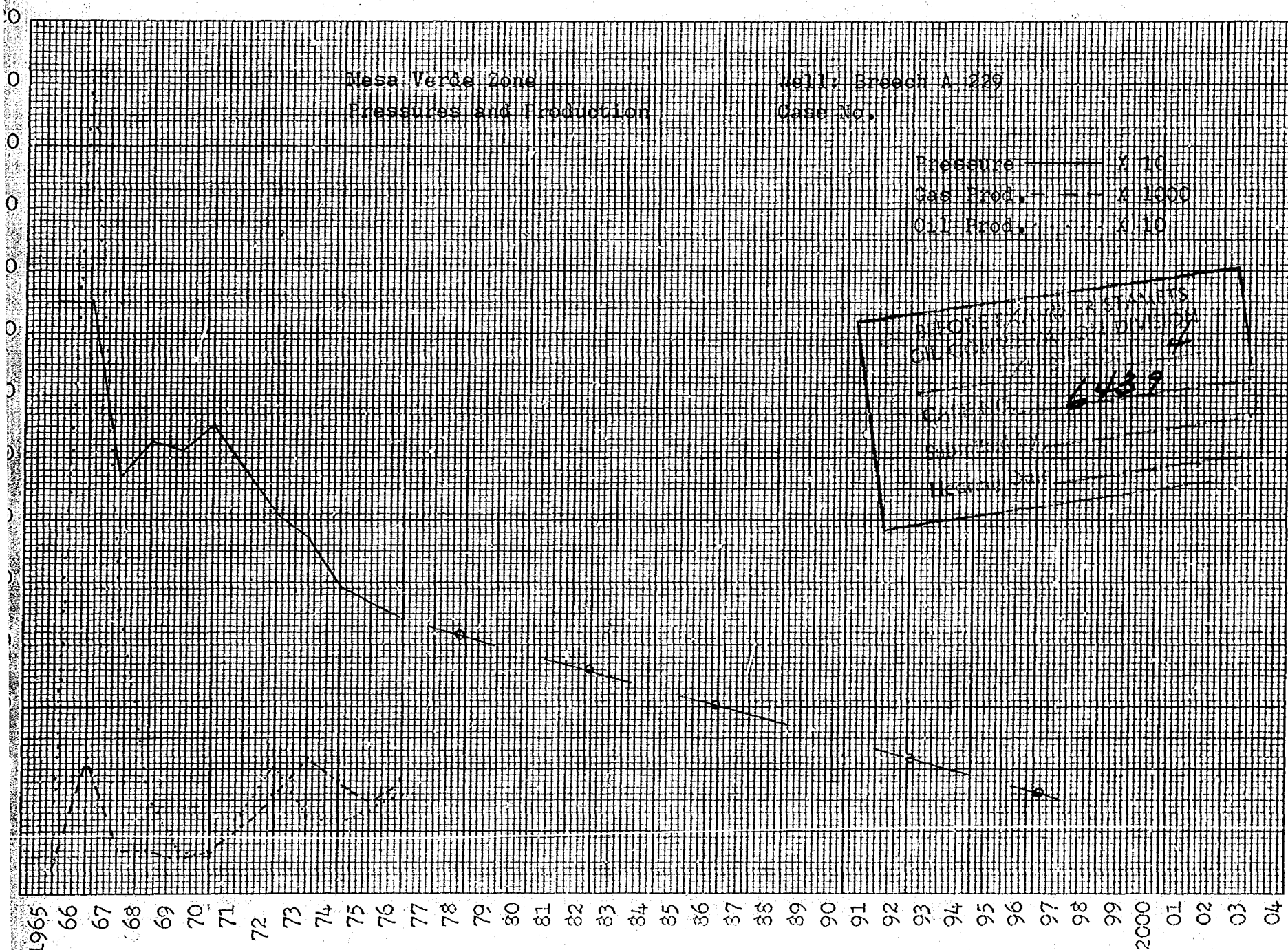
Dakota Zone

Pressure	Gas Prod.	Oil Prod.
2,048	7,591	1,788
2,048	93,402	1,788
1,586	119,907	1,829
1,238	149,015	1,330
1,128	136,689	906
997	133,956	1,003
919	123,906	1,285
752	119,786	1,285
717	111,741	1,043
	109,104	760
675	95,240	551
	90,789	517
521	91,863	883

1,382,989 14,968

Gas Production 11% Mesa Verde and 89% Dakota.

Oil Production 16% Mesa Verde and 84% Dakota.

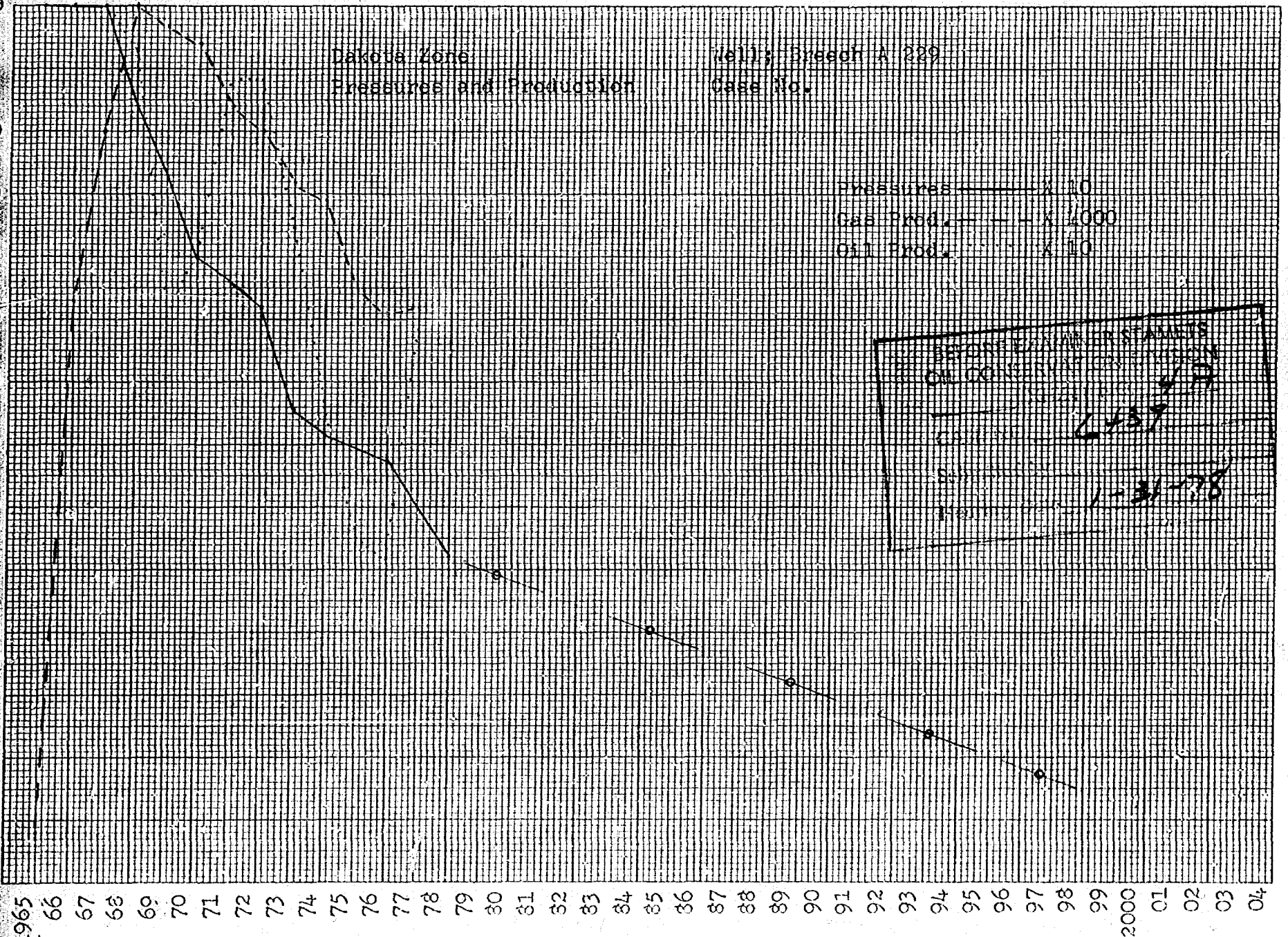


Dakota Zone
Pressures and Production

Well: Breech A 229
Case No.

Pressures ——— X 10
Gas Prod. ——— X 1000
Oil Prod. ——— X 10

RECORD EXAMINER'S SIGNATURE	✓
DATE	2-28-78
WELL NO.	229
DATE	1-31-78
WELL NO.	



Case No. _____

A 33-27-6

Production records for same period before Cummingling
as period after Cummingling thru November 1978.
Mesa Verde-Dakota Commingling Order No. R-5649

A 1-26-6

B 21-26-6

Breech F 4
Commingled May, 1978

Breech E 64
Commingled April, 1978

Breech D 341
Commingled April 1, 1978

	1977 Combined Production		1978 Commingled Production		1977 Combined Production		1978 Commingled Production		1977 Combined Production		1978 Commingled Production	
	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil
Oil												
	7848	78	6957	130	6231	16	16,116	89	11,255	78	9673	89
	11,238	50	6922	68	7663	14	13,456	45	10,563	70	8884	84
	10,661	60	7704	79	6888	15	12,137	43	11,345	50	11,960	97
	8741	21	4144	6	7426	20	11,013	34	8424	45	10,394	75
	10,745	87	-0-	-0-	6102	12	5288	3	9756	86	7996	41
	11,095	32	12,390	122	7383	16	10,618	54	9903	18	7997	56
					7374	8	13,786	53	11,305	98	11,573	23
									12,747	164	12,203	77
	60,328	328	38,117	405	49,067	101	82,384	321	85,298	609	80,680	542

Mechanical problems and high line pressure during Sept and Oct 1978 affected production
November production indicates well production normal.

Obstruction in tubing affected production before Cummingling

High line pressure's during Aug. and Sept, 1978 affected production.
October and November production normal.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
CASE NO. *6439*
Submitted by _____
Hearing Date *1-31-79*

Mechanic's

Exhibit # 6

CAULKINS OIL COMPANY

Breach A 229

Case No.

OIL

CASE

Schedule

Hearing Date

6
6439

1-31-79

1 $\frac{1}{4}$ " tubing now in well for Mesa Verde Production will be pulled and salvaged.

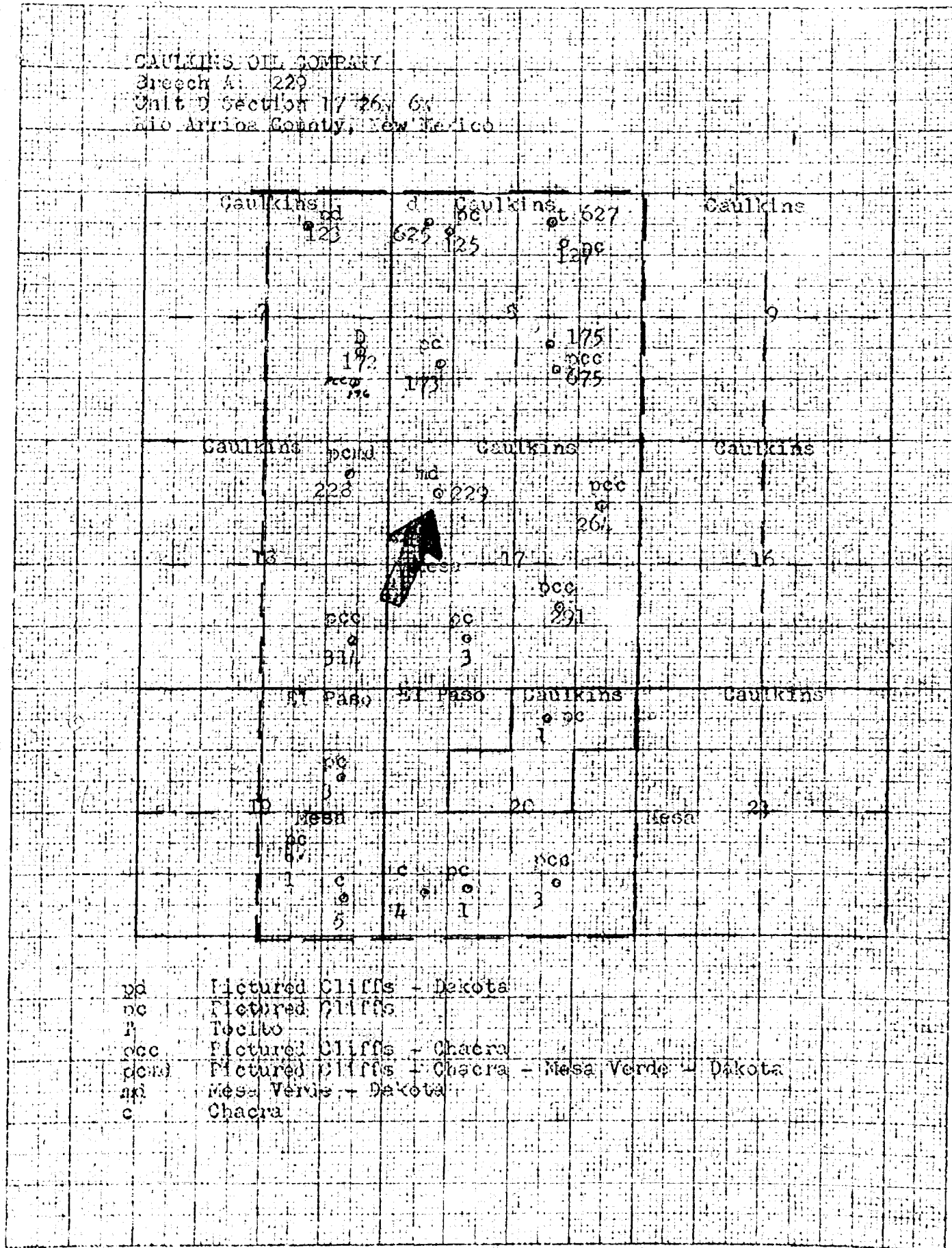
1 $\frac{1}{4}$ " tubing now in well for Dakota Zone will be pulled and seal assy now set in Packer will be removed.

1 $\frac{1}{4}$ " tubing will then be run to Dakota Perforations for Commingled Mesa Verde- Dakota Production.

6439
Ex. 2

46 1473

11 X 10 TO 1/2 INCH = 1/2 X 10 INCHES
MUTUAL & GESSER CO. MADE IN U.S.A.



6437
Ex. 3

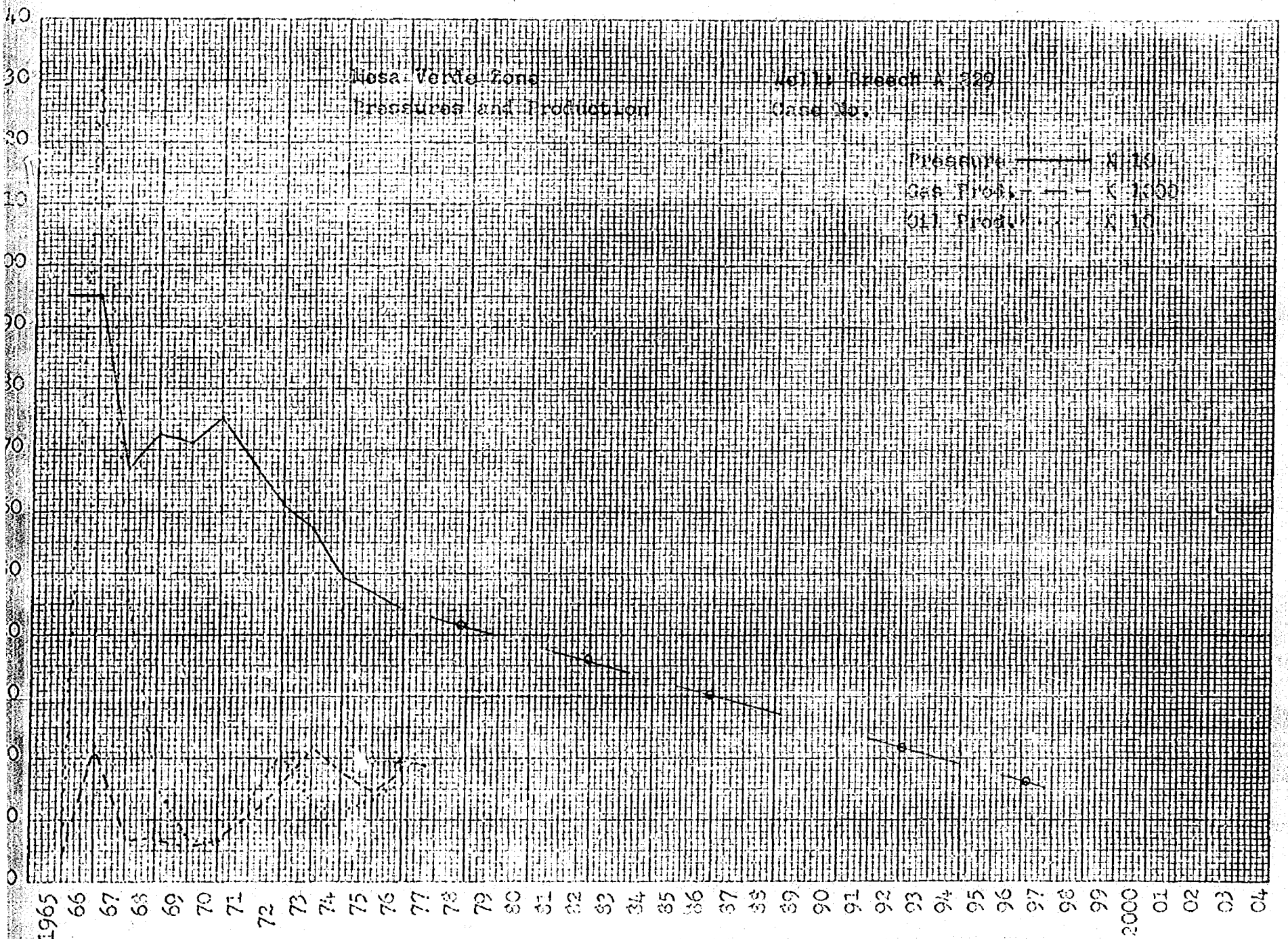
Breech A 229
Unit D Section 17 26N 6W
Yearly Production and Pressures

Mesa Verde Zone				Dakota Zone		
Date	Pressure	Gas Prod.	Oil Prod.	Pressure	Gas Prod.	Oil Prod.
1965	953	4,584	0	2,048	7,591	1,788
1966	953	22,328	1,320	2,048	93,402	1,788
1967	672	7,368	454	1,586	119,907	1,829
1968	727	7,582	159	1,238	149,015	1,330
1969	712	6,156	69	1,128	136,689	906
1970	762	6,827	59	997	133,956	1,003
1971		10,605	127	919	123,906	1,285
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1974	492	22,361	115		109,104	760
1975		17,938	133	675	95,240	551
1976	442	15,470	160		90,789	517
1977		17,608	24	521	91,863	883
Cum. Total		170,964	2,946		1,382,989	14,968

Gas Production 11% Mesa Verde and 89% Dakota.

Oil Production 16% Mesa Verde and 84% Dakota.

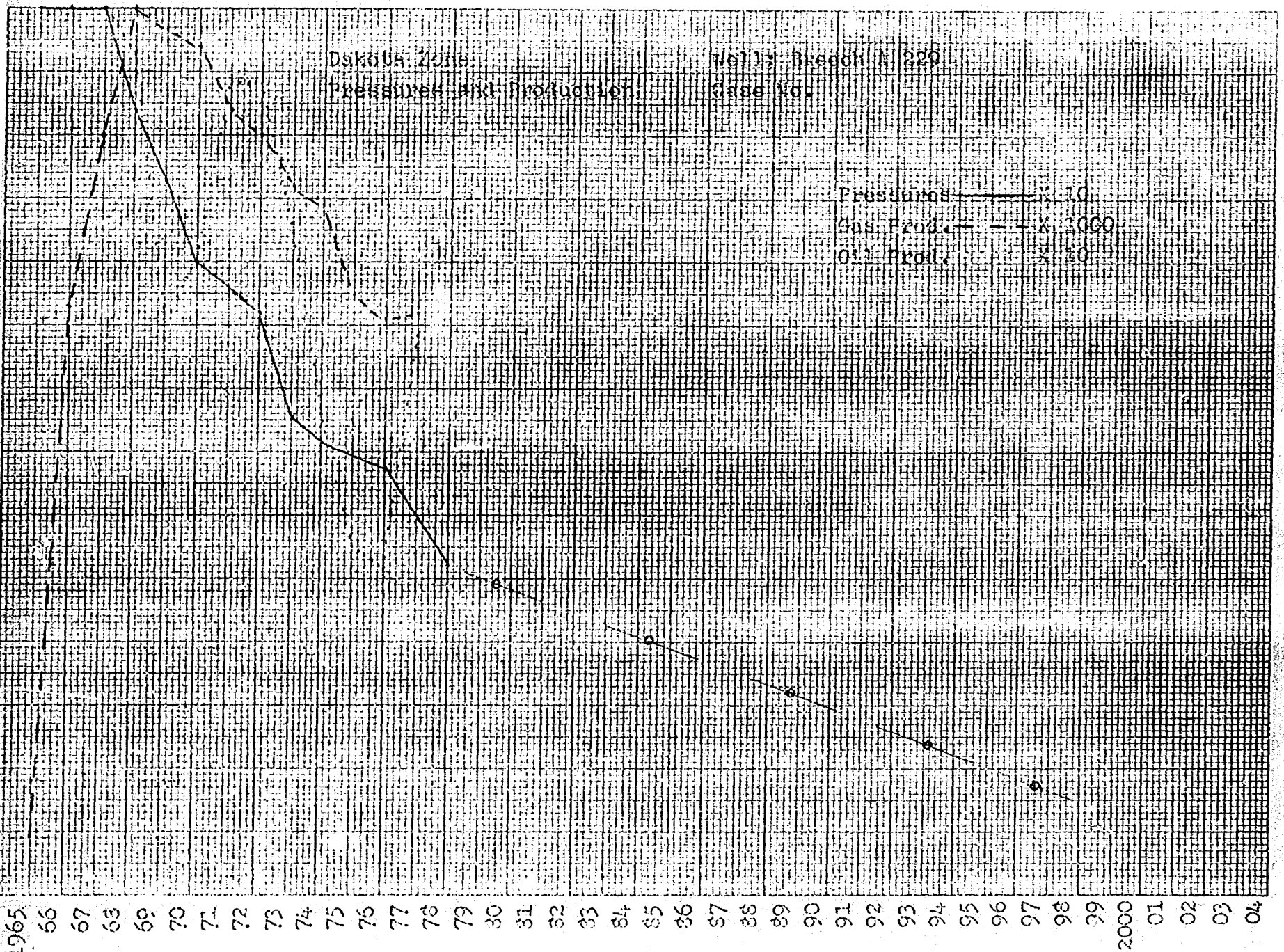
6139
4



6-131
9-1-A

Dakota Zone: Wells: Brough N. 229
Pressures and Production Case No.

Pressures ——— X 10
Gas Prod. ——— X 1000
Oil Prod. ——— X 10



Case No. 6439
Ex. 5

Production records for same period before Cummingling
as period after Cummingling thru November 1978.
Mesa Verde-Dakota Commingling Order No. R-5649

Month	Breach F 4 Commingled May, 1978				Breach E 64 Commingled April, 1978				Breach D 341 Commingled April 1, 1978			
	1977 Combined Production		1978 Commingled Production		1977 Combined Production		1978 Commingled Production		1977 Combined Production		1978 Commingled Production	
	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil
April												
May												
June	7848	78	6957	130	6231	16	16,116	89	11,255	78	9673	89
July	11,238	50	6922	68	7663	14	13,456	45	10,563	70	8884	84
Aug.	10,661	60	7704	79	6888	15	12,137	43	11,345	50	11,960	97
Sept.	8741	21	4144	6	7426	20	11,013	34	8424	45	10,394	75
Oct.	10,745	87	-0-	-0-	6102	12	5288	3	9756	86	7996	41
Nov.	11,095	32	12,390	122	7383	16	10,618	54	9903	18	7997	56
Dec.					7374	8	13,786	53	11,305	98	11,573	23
Jan.									12,747	164	12,203	77
Feb.												
Mar.												
Apr.												
May	60,328	328	38,117	405	49,067	101	82,384	321	85,298	609	80,680	542

Mechanical problems and high line pressure during Sept and Oct 1978 affected production. November production indicates well production normal.

A-33-27-6W

Obstruction in tubing affected production before Cummingling

A-1-26-6W

High line pressure's during Aug. and Sept, 1978 affected production. October and November production normal.

B-21-26-6W

CAULKINS OIL COMPANY

Breech A 229

Case No. 6439
Ex. 6

Mchanic's

Exhibit # 6

1 $\frac{1}{4}$ " tubing now in well for Mesa Verde Production will be pulled and salvaged.

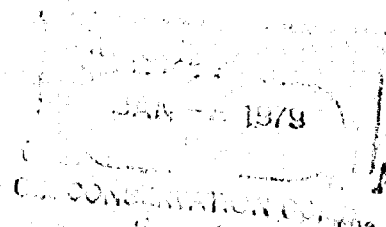
1 $\frac{1}{4}$ " tubing now in well for Dakota Zone will be pulled and seal assy now set in Packer will be removed.

1 $\frac{1}{4}$ " tubing will then be run to Dakota Perforations for Commingled Mesa Verde- Dakota Production.

- CASE 6439: 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 Mesaverde and Dakota production in the wellbore of its Breech A Well No. 229 located in Unit D of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6440: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech F Well No. 8 located in Unit A of Section 34, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6441: 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 Mesaverde production in the wellbore of its Breech F Well No. 12 located in Unit A of Section 35, Township 27 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6442: 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, Chacra and Mesaverde production in the wellbore of its Breech E Well No. 109 located in Unit M of Section 3, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6443: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Breech B Well No. 220-R located in Unit B of Section 14, Township 26 North, Range 7 West, to produce gas from the Dakota formation through a separate string of tubing and to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of said well.
- CASE 6444: 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, Mesaverde, Chacra and Greenhorn production in the wellbore of its Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
APPROVAL OF DOWNHOLE COMMINGLING
RIO ARriba COUNTY, NEW MEXICO



A P P L I C A T I O N

Case 6439

Comes now Caulkins Oil Company and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of downhole commingling in the well bore in its Well No. 229, located in Unit D, Section 17, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to complete the subject well in such manner as to commingle production in the wellbore from the Mesaverde and Dakota formations.
2. Approval of this application is in the interests of conservation and the prevention of waste, and will result in the production of gas and liquid hydrocarbons that would not otherwise be produced.

Breach A

WHEREFORE Applicant prays that this application be set for hearing at the last examiner hearing in January, 1979, and that after notice and hearing as required by law, the Division enter its order granting approval of downhole commingling as requested.

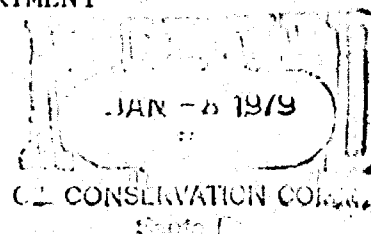
Respectfully submitted,
CAULKINS OIL COMPANY

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

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
APPROVAL OF DOWNHOLE COMMINGLING
RIO ARriba COUNTY, NEW MEXICO



A P P L I C A T I O N

Case 6439

Comes now Caulkins Oil Company and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of downhole commingling in the well bore in its Well No. 229, located in Unit D, Section 17, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to complete the subject well in such manner as to commingle production in the wellbore from the Mesaverde and Dakota formations.

2. Approval of this application is in the interests of conservation and the prevention of waste, and will result in the production of gas and liquid hydrocarbons that would not otherwise be produced.

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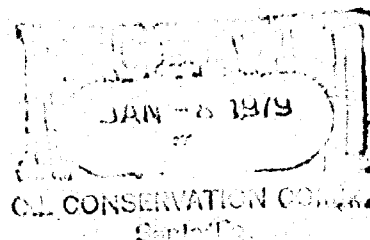
Respectfully submitted,
CAULKINS OIL COMPANY

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

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
APPROVAL OF DOWNHOLE COMMINGLING
RIO ARriba COUNTY, NEW MEXICO



A P P L I C A T I O N

Case 6439

Comes now Caulkins Oil Company and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of downhole commingling in the well bore in its Well No. 229, located in Unit D, Section 17, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to complete the subject well in such manner as to commingle production in the wellbore from the Mesaverde and Dakota formations.
2. Approval of this application is in the interests of conservation and the prevention of waste, and will result in the production of gas and liquid hydrocarbons that would not otherwise be produced.

WHEREFORE Applicant prays that this application be set for hearing at the last examiner hearing in January, 1979, and that after notice and hearing as required by law, the Division enter its order granting approval of downhole commingling as requested.

Respectfully submitted,
CAULKINS OIL COMPANY

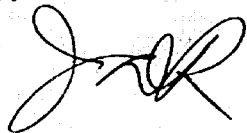
By Jason Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

dr/

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. 6439

Order No. 5923

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 9 a.m. on January 31
19 79, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this day of February, 19 79, 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, Caulkins Oil Company, is
the owner and operator of the Breech A Well No. 229,
located in Unit D of Section 17, Township 26 North
Range 6 West, NMPM, Rio Arriba County, New Mexico.

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

(4) That from the Mesaverde 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, 11 percent and 16 percent of the commingled gas and condensate ^{respectively,} production should be allocated to the Mesaverde zone, and 89 percent and 84 percent of the commingled gas and condensate ^{respectively,} production to the Dakota zone.

(ALTERNATE)

(9) That 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.

(10) That the dual completion provisions of Division Order No B-2939 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Mesaverde and Dakota production within the wellbore of the Breech A Well No. 229, located in Unit D of Section 17, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That 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.

~~(ALTERNATE)~~

Condensed
(2) That 11 percent and 16 percent of the commingled gas and condensate production, respectively, shall be allocated to the Mesaverde zone and 89 percent and 84 percent of the commingled gas and production, respectively, 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.

(5) 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.

(4) That the dual completion provisions of Division Order No. R-2932 are hereby superseded.