

*Entered July 17, 1972*  
*R.S.P.*

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. 4740  
Order No. R-4335

APPLICATION OF AMOCO PRODUCTION  
COMPANY FOR DOWNHOLE COMMINGLING,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of July, 1972, 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, Amoco Production Company, is the owner and operator of the L. C. Kelly Wells Nos. 3 and 5 located, respectively, in Unit F of Section 4 and Unit I of Section 3, Township 30 North, Range 12 West, San Juan County, New Mexico.
- (3) That the Flora Vista-Gallup and Basin-Dakota zones in the subject wells are capable of only low marginal production.
- (4) That the applicant now proposes to complete each of said Wells Nos. 3 and 5 in such a manner as to produce gas and condensate from both of the zones through one string of tubing, commingling in the well-bore the production from the Flora Vista-Gallup and Basin-Dakota zones.
- (5) That the reservoir characteristics of the Flora Vista-Gallup and Basin-Dakota zones in the subject well are such that underground waste would not be caused by the proposed commingling in the well-bore.
- (6) That the proposed commingling may result in the recovery of additional gas from each of the commingled zones in the subject wells, thereby preventing waste, and will not violate correlative rights.

-2-

CASE NO. 4740

Order No. R-4335

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

(8) That production tests should be conducted prior to commingling to determine the production from each zone in each well.

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

(10) That Administrative Order MC-1563 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to complete each of its L. C. Kelly Wells Nos. 3 and 5 located, respectively, in Unit F of Section 4 and Unit I of Section 3, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to produce gas and condensate from the Flora Vista-Gallup and Basin-Dakota Pools through a single string of tubing, commingling in the well-bore the production from the Flora Vista-Gallup and Basin-Dakota Pools.

(2) That the production of each zone in each of the above-described wells shall be established and future production allocated to the Gallup and Dakota zones in each of the subject wells in accordance with the following procedure:

L. C. KELLY WELL NO. 3

1. Prior to commingling, the daily rate of flow from the Gallup formation shall be established by employing the last 24 hours of a seven-day flow period of said zone.  
(Test No. 1)
2. Subsequent to commingling, the daily rate of flow from the commingled Gallup and Dakota zones shall be established by employing the final 24 hours of a seven-day flow test of the commingled zones.  
(Test No. 2)
3. Determine the Dakota allocation of production factor as follows:

$$(\text{Dakota } f) = \frac{\text{Test No. 2} - \text{Test No. 1}}{\text{Test No. 2}}$$

4. Determine the monthly allocation of production as follows:

- a. Dakota production = Dakota  $f$  x commingled production.
- b. Gallup production = commingled production less calculated Dakota production.

L. C. KELLY WELL NO. 5

- 1. Prior to commingling, the daily rate of flow from the Dakota zone shall be established by employing the last 24 hours of a seven-day flow period of said zone.  
(Test No. 1)
- 2. Prior to commingling, the daily rate of flow from the Gallup zone shall be established by employing the last 24 hours of a seven-day flow period of said zone.  
(Test No. 2)
- 3. Determine the monthly allocation of production as follows:
  - a. Dakota production = monthly commingled production x 
$$\frac{\text{Test No. 1}}{\text{Test No. 1} + \text{Test No. 2}}$$
  - b. Gallup production = monthly commingled production x 
$$\frac{\text{Test No. 2}}{\text{Test No. 1} + \text{Test No. 2}}$$

(3) That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(4) That Administrative Order MC-1563 is hereby superseded.

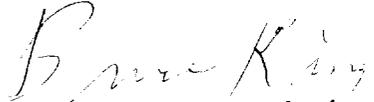
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-4-

CASE NO. 4740  
Order No. R-4335

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMIÑO, Member

  
A. L. PORTER, Jr., Member & Secretary

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