

Entered July 28, 1981
JAR

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. 7302
Order No. R-6733

APPLICATION OF EL PASO NATURAL GAS
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 July 15, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of July, 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.

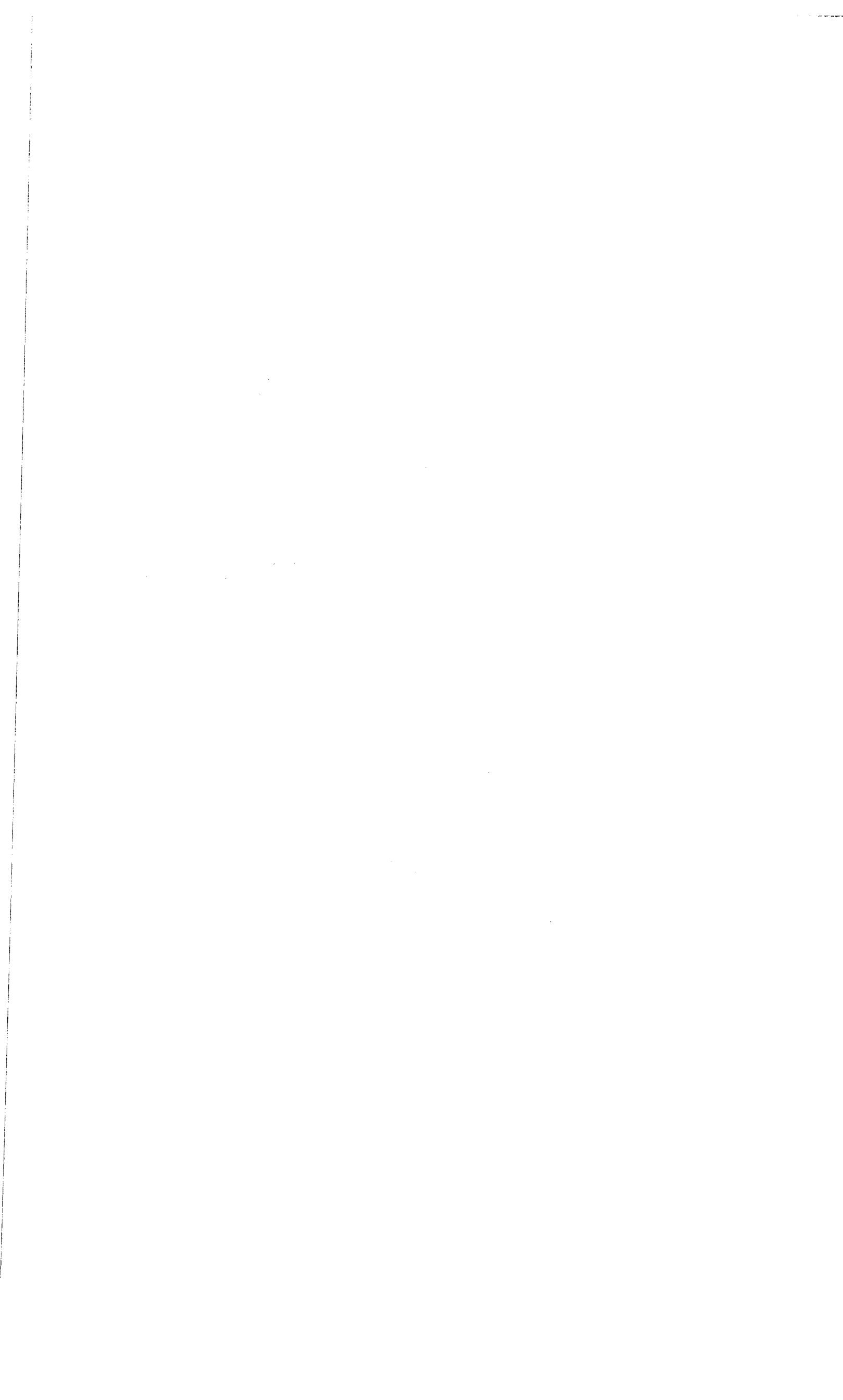
(2) That the applicant, El Paso Natural Gas Company, plans to drill four wells in the SE/4 and SW/4 of Section 34, Township 27 North, Range 7 West, and the SW/4 and NW/4 of Section 2, Township 26 North, Range 7 West, respectively, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Chacra and Mesaverde production within the wellbores of the above-described wells.

(4) That from the Chacra zone, each of the subject wells is expected to be capable of low marginal production only.

(5) That from the Mesaverde zone, each of the subject wells is expected to be 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,



-2-

Case No. 7302
Order No. R-6733

thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are expected to be such that underground waste would not be caused by the proposed commingling provided that the wells are 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 wells are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should test the Chacra zone separately and the Chacra and Mesaverde combined, and should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the productive zones.

(10) That this commingling authority should be rescinded with respect to any of the herein authorized wells if the pressures or productivity of any such well indicates that reservoir damage or waste might result from commingling in the wellbore.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle Chacra and Mesaverde production within the wellbores of four wells to be drilled in the SE/4 and SW/4 of Section 34, Township 27 North, Range 7 West, and the SW/4 and NW/4 of Section 2, Township 26 North, Range 7 West, respectively, 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.

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



-3-

Case No. 7302

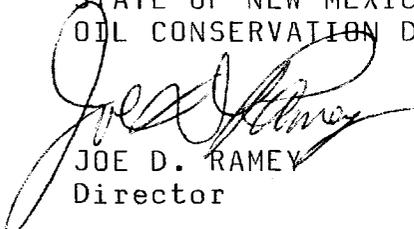
Order No. R-6733

(4) That the Division Director may rescind this commingling authority with respect to any of the subject wells if the pressures or productivity encountered in such well indicates that reservoir damage or waste may result from commingling in the wellbore of said well.

(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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/

