

*TASK 7966*

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:

*Stogner*  
*WPP*

*JMR*  
*299*

CASE NO. 7966

Order No. R-736<sup>5</sup>

*Bll*

APPLICATION OF JEROME P. McHUGH  
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 September 28, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_\_ day of <sup>September</sup>~~October~~, 1983, 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, Jerome P. McHugh, is the owner and operator of the Mother Lode Well No. 1, located 1730 feet from the North line and 860 feet from the East line of Section 3, Township 24 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

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

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

(5) That from the Undesignated-Gallup 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, 79 percent of the commingled oil <sup>and 91 percent of the commingled gas production</sup> should be allocated to the Undesignated Gallup zone, and 21 percent of the commingled oil production to the Basin - Dakota zone. and 9 percent of the commingled gas production

~~(9) (ALTERNATE) 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.~~

IT IS THEREFORE ORDERED:

(1) That the applicant, Jerome P. McHugh, is hereby authorized to commingle Basin-Dakota and Undesignated Gallup production within the wellbore of the Mother Lode Well No. 1, located 1730 feet from the North line and 860 feet from the

East line of Section 3, Township 24 North, Range 2 West, NMPM,  
Rio Arriba County, New Mexico.

~~(2) (ALTERNATE) 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.~~

(2) That 79 percent of the commingled  
oil and 91 percent of the commingled gas production  
production shall be allocated to the  
Undesignated Gallup zone and 21<sup>percent</sup> of the commingled oil production  
and 9 percent of the commingled gas production shall be allocated to the  
Basin - 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

Called in by Tommy Roberts  
8/29/83

September 28, 1983

# Memo

From

FLORENE DAVIDSON

Staff Specialist

To

Jerome P. McHugh

Hornhole Commingling

Basin - Lakota

Undesignated Gallup

Mother Lode #1

1730/N + 860/E

3-24N - 2W

Rio Arriba County