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January 4, 1984

Case 8042

HAND DELIVERED

CONSERVATION DIVISION

Mr. Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

JAN 4 1984

RECEIVED

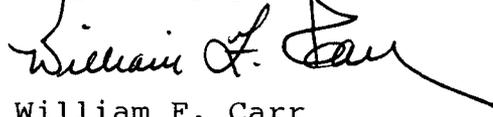
Re: Application of Northwest Exploration Company for an
Exception to the Special Pool Rules for the Gavilan-
Mancos Oil Pool and for Downhole Commingling, Rio Arriba
County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the Application of Northwest
Exploration Company in the above-referenced case. Northwest
Exploration Company requests that this matter be included on the
docket for the Examiner Hearing scheduled for January 18, 1984.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:ndb

Enclosures

cc: Robert J. Reid, Esq.

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

JAN 14 1984

APPLICATION OF NORTHWEST EXPLORATION
COMPANY FOR AN EXCEPTION TO THE SPECIAL
POOL RULES FOR THE GAVILAN-MANCOS OIL
POOL AND FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

Case 8042

A P P L I C A T I O N

COMES NOW Northwest Exploration Company by and through its undersigned attorneys and hereby makes application to the Oil Conservation Division for an Order granting it an exception to the special pool rules for the Gavilan-Mancos Oil Pool authorizing the simultaneous dedication of its Gavilan No. 1 Well and its Gavilan No. 1-E Well to a standard oil spacing unit comprising the N/2 of Section 26, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and further seeks approval for the downhole commingling of Gallup, Mancos and Dakota production in the wellbore of said wells, and in support thereof states:

1. By Order R-7407 entered on December 20, 1983, the Oil Conservation Commission created the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico and promulgated special pool rules therefor which provide, among other things, for 320-acre oil well spacing. These rules become effective on March 1, 1984.

2. Applicant operates its Gavilan No. 1 Well located in Unit A and its Gavilan No. 1-E Well located in Unit E of Section 26, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico. Both wells produce from the Mancos member of the Gallup formation.

3. All interest owners in the N/2 of said Section 26 have entered a communitization agreement for the development of this spacing unit and share in production from these wells.

4. Applicant seeks authority to simultaneously dedicate its Gavilan Wells No. 1 and No. 1-E to a standard spacing unit comprised of the N/2 of said Section 26.

5. Applicant also seeks approval for the downhole commingling of Gallup, Mancos and Dakota production in the wellbore of each of said wells.

6. The Dakota formation is capable of only marginal production and downhole commingling of the Dakota and Mancos production will result in the recovery of hydrocarbons that otherwise will not be produced.

7. Granting this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Northwest Exploration Company hereby requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 18, 1984, and that after notice and hearing as prescribed by law, the Division enter its Order simultaneously dedicating the Gavilan No. 1 Well and the Gavilan No. 1-E well for a standard spacing unit comprised of the N/2 of Section 26, Township 25 North, Range

2 West, N.M.P.M., Rio Arriba County, New Mexico and further approving the downhole commingling of Gallup, Mancos and Dakota production in the wellbore of each of said wells.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By 

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ATTORNEYS FOR APPLICANT