

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9190
Order No. R-8501

APPLICATION OF ROBERT L. BAYLESS
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 26, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of August, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Robert L. Bayless, is the owner and operator of the Jicarilla "519" Well No. 1 located 790 feet from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 30 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

(3) The applicant seeks authority to commingle Undesignated Gallup and Undesignated Pictured Cliffs gas production within the wellbore of the above described well.

(4) From the Gallup zone, the subject well is capable of low marginal production only.

(5) From the Pictured Cliffs zone, the subject well is capable of low marginal production only.

(6) The applicant testified at the hearing that it would be uneconomical and unfeasible to produce the two zones separately within the wellbore.

Case No. 9190
Order No. R-8501

(7) 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.

(8) 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.

(9) 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.

(10) In order to allocate the commingled production to each of the commingled zones in the subject well, the applicant recommended that, based upon production history, 43 percent of the commingled gas production should be allocated to the Pictured Cliffs zone and 57 percent of the commingled gas production should be allocated to the Gallup zone.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Robert L. Bayless, is hereby authorized to commingle Undesignated Gallup and Undesignated Pictured Cliffs gas production within the wellbore of the Jicarilla "519" Well No. 1 located 790 feet from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 30 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

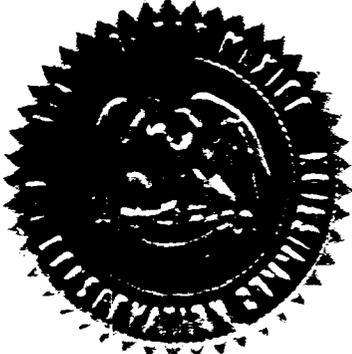
(2) 43 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone and 57 percent of the commingled gas production shall be allocated to the Gallup zone.

(3) 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) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-
Case No. 9190
Order No. R-8501

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director

fd/