

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8149
Order No. R-7507

APPLICATION OF UNION TEXAS PETROLEUM
CORPORATION FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of April, 1984, 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, Union Texas Petroleum Corporation, is the owner and operator of the Jicarilla "J" lease located in Sections 25, 26, 35, and 36 of Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Mesaverde, Gallup, and Dakota production within the wellbores of wells currently completed or to be drilled on said lease.
- (4) That from these zones, the subject wells are, and are expected to be, capable of marginal production only.
- (5) 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.
- (6) 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 any commingled well is not shut-in for an extended period.

(7) 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 any well commingled under terms of this order is 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 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, Union Texas Petroleum Corporation, is hereby authorized to commingle Mesaverde, Gallup, and Dakota production within the wellbore of wells currently drilled or to be drilled on its Jicarilla "J" lease in Sections 25, 26, 35, and 36 of Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

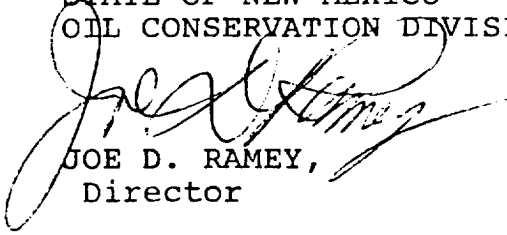
(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in any well commingled under terms of this order.

(3) That the operator of any of the subject wells shall immediately notify the Division's Aztec district office any time such 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


JOE D. RAMEY,
Director

25 #11E, #8, #11, #15, #8E

24 #9, #9E, #10, #10E

25 #12, #14, #12E, #13E, #7, #13

S E A L 24, #7E