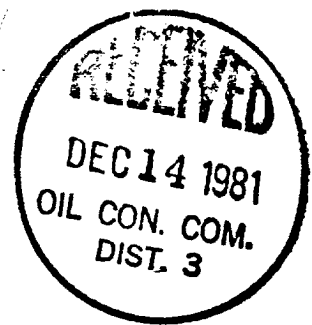


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



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

CASE NO. 7430
Order No. P-6853

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR DOWNHOLE COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 2, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of December, 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, Amoco Production Company, is the owner and operator of the Gutierrez Gas Com "C" Well No. 1, located in Unit A of Section 4, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant seeks authority to commingle Fruitland and Pictured Cliffs production within the wellbore of the above-described well. 7F
- (4) That from the Fruitland zone, the subject well is capable of low marginal production only.
- (5) That from the Pictured Cliffs zone, the subject well 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, 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, 22 percent of the commingled oil and gas production should be allocated to the Fruitland zone, and 78 percent of the commingled oil and gas production to the Pictured Cliffs zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to commingle Fruitland and Pictured Cliffs production within the wellbore of the Gutierrez Gas Com "C" Well No. 1, located in Unit A of Section 4, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

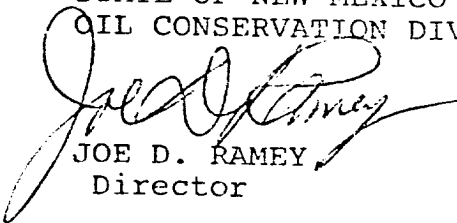
(2) That 22 percent of the commingled oil and gas production shall be allocated to the Fruitland zone and 78 percent of the commingled oil and gas production shall be allocated to the Pictured Cliffs zone.

(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


JOE D. RAMEY
Director

S E A L