RECEIVED
OCT 31 1997
OIL CON. DIV.
DIST. 3

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS :
_X_ Administrative ___Hearing

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
_x__ YES ___ NO

Burlington Resources Oil & Gas Company — PO Box 4289, Farmington, NM 87499
Operator — Address

Allison Unit — 23X — M 19-32N-6W — Rio Arriba
Lease — Well No. — Unit Ltr. - Sec - Twp - Rge — County
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. __14538__ Property Code ___6785 API NO. __30-045-13189 Federal __x____ , State _____, (and/or) Fee __x_____

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	5586'-5726'		7900'-8034'
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 650 psi (see attachment)	a.	a. 706 psi (see attachment)
	(Original) b. 1359 psi (see attachment)	b.	b. 3116 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1009		BTU 969
7. Producing or Shut-In?	producing		producing
Production Marginal? (yes or no)	yes		yes
* If Shut-In and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water water of recent test (within 60 days)	Date: n/a Rates: 67 Mcf\d	Date: Rates:	Date: n/a Rates: 98 Mcf\d
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ___Yes __x_No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___Yes __x_No
Have all offset operators been given written notice of the proposed downhole commingling? _x_Yes ____No

11. Will cross-flow occur? _x__ Yes __ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. __x___ Yes _____No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? _x_ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes _X_ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. _X__Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (if not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE_____TITLE__Production Engineer_____ _DATE 10/29/97_____

TYPE OR PRINT NAME __ Robert L. Goodwin III___ TELEPHONE NO. (505) 326-9700

Form C-128 (6-57)

MEXICO OIL CONSERVATION COMM

Well Location and Acreage Dedication Plat

Date JUNE 17, 1960

Section A.

Operator EL PASO NATURAL GAS COMPANY Lease ALLISON UNIT SF 081155

Well No 23-X(MD) Unit Letter M Section 19 Township 32-N Range 6-W NMPM

Located 990 Feet From SOUTH Line, 965 Feet From WEST Line

County SAN JUAN G. L. Elevation 6442 Dedicated Acreage 272.85 &272.85 Acres

Name of Producing Formation MESA VERDE AND DAKOTA Pool BLANCO M.V. & NORTH LAS PINOS DAKOTA POOL EXT.

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
   Yes _____ No X
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes", Type of Consolidation.
   Unitization
3. If the answer to question two is "no", list all the owners and their respective interests below:

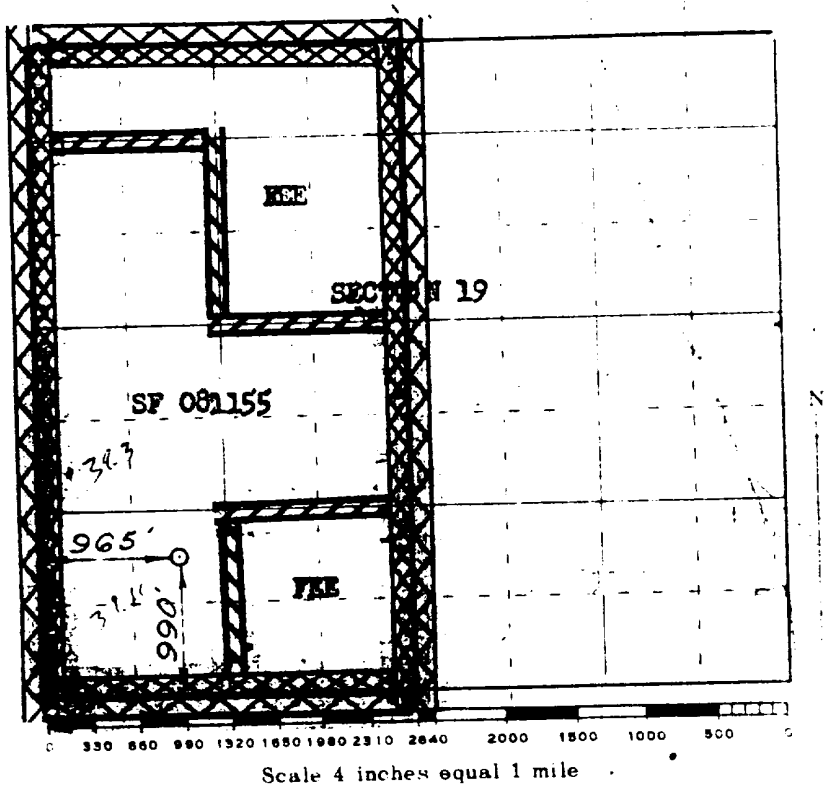
Owner	Land Description

Section B.

Note: All distances must be from outer boundaries of section.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company
(Operator)
Original Signed F. H. WOOD
(Representative)
PO Box 990, Farmington, NM
(Address)
February 15, 1973



Scale 4 inches equal 1 mile

NOTE: THIS PLAT IS RE-ISSUED TO SHOW SKIDDED RIG LOCATION. 6 7 60

NOTE: THIS PLAT IS RE-ISSUED TO SHOW NEW DEDICATION. 2-13-73

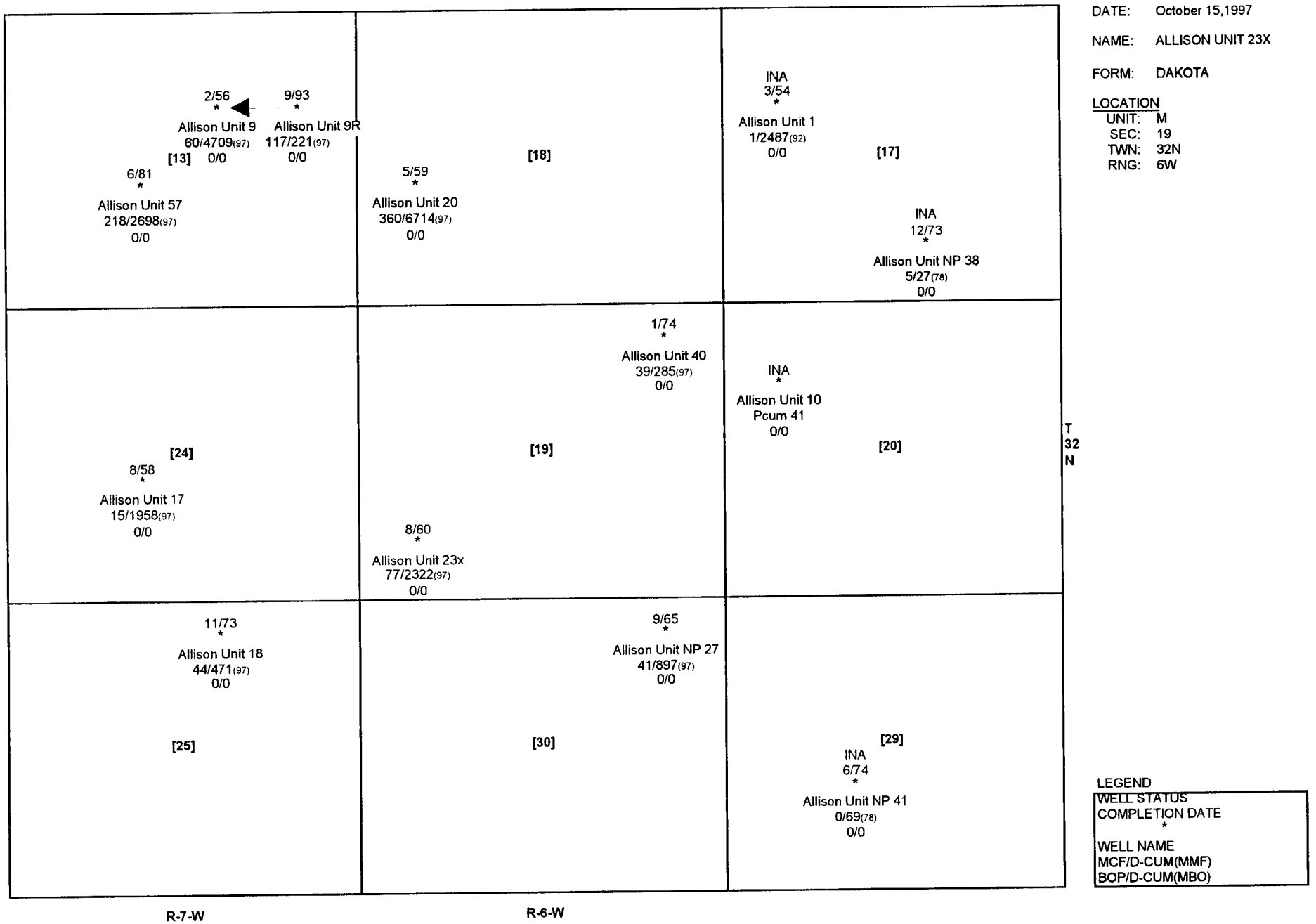
This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed APRIL 4, 1960

David O Vilven
Registered Professional Engineer and/or Land Surveyor

(Seal)

Farmington, New Mexico



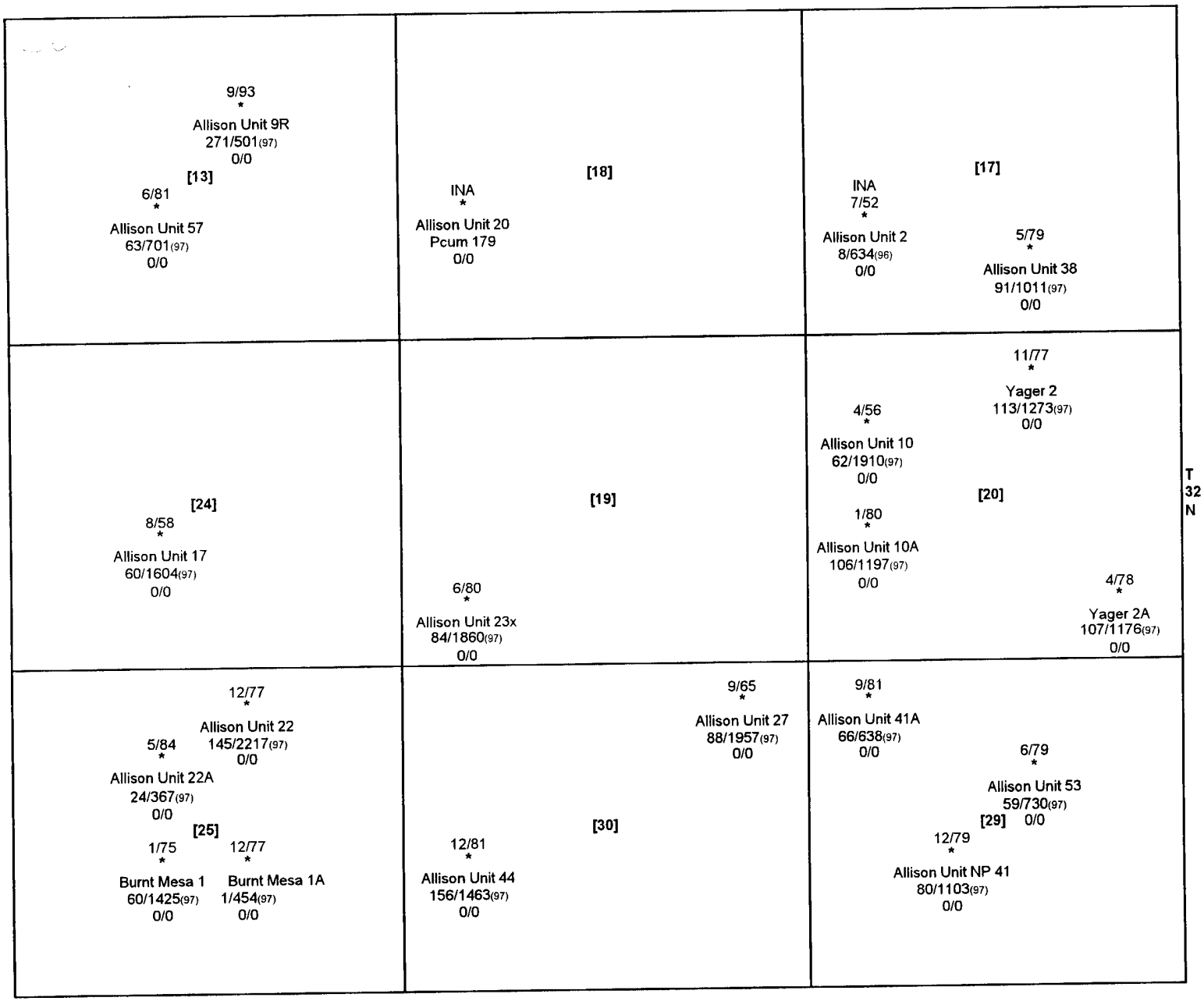
DATE: October 15,1997

NAME: ALLISON UNIT 23X

FORM: DAKOTA

LOCATION
UNIT: M
SEC: 19
TWN: 32N
RNG: 6W

LEGEND
WELL STATUS
COMPLETION DATE
*
WELL NAME
MCF/D-CUM(MMF)
BOP/D-CUM(MBO)



DATE: October 15,1997

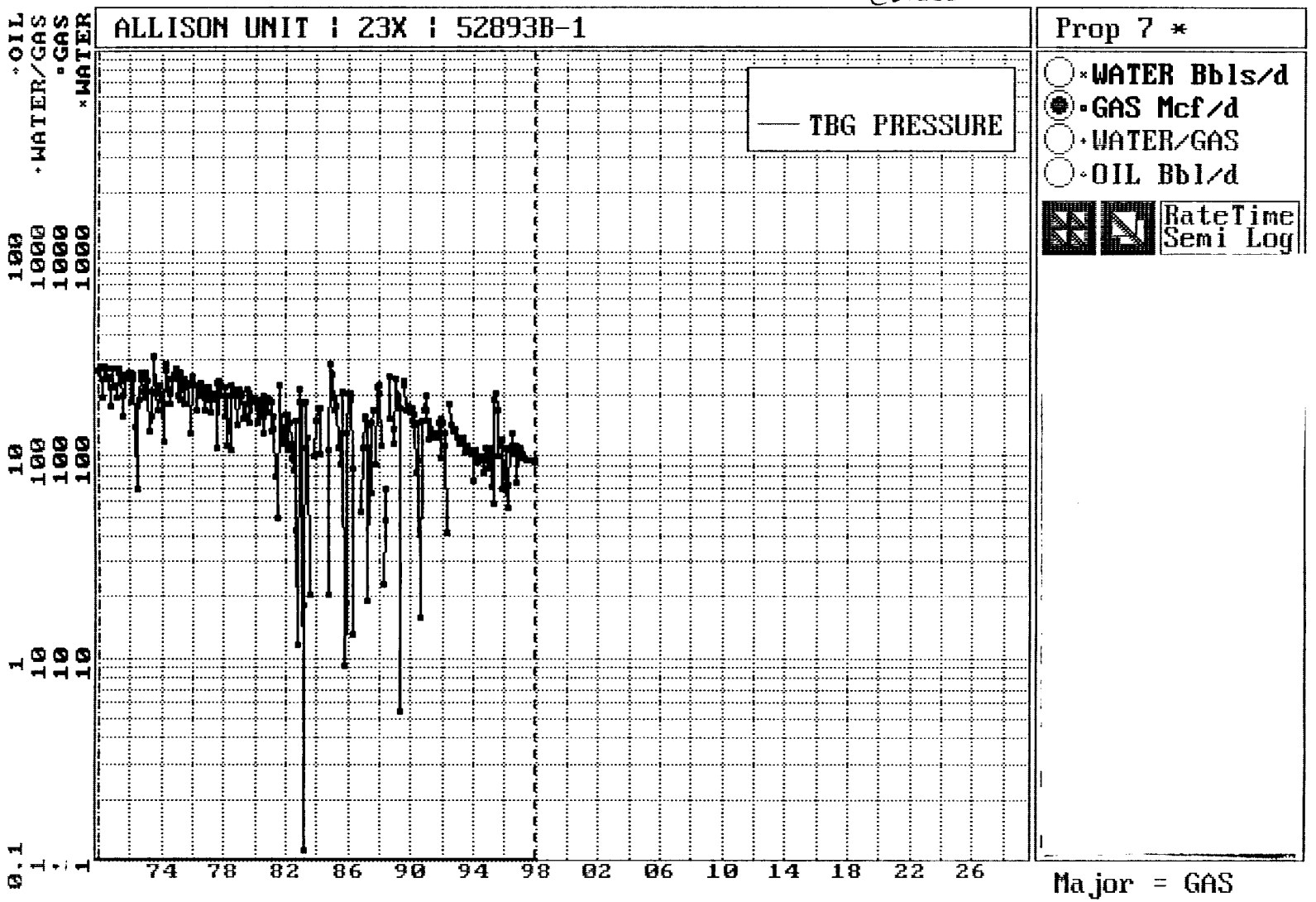
NAME: ALLISON UNIT 23X

FORM: MESAVERDE

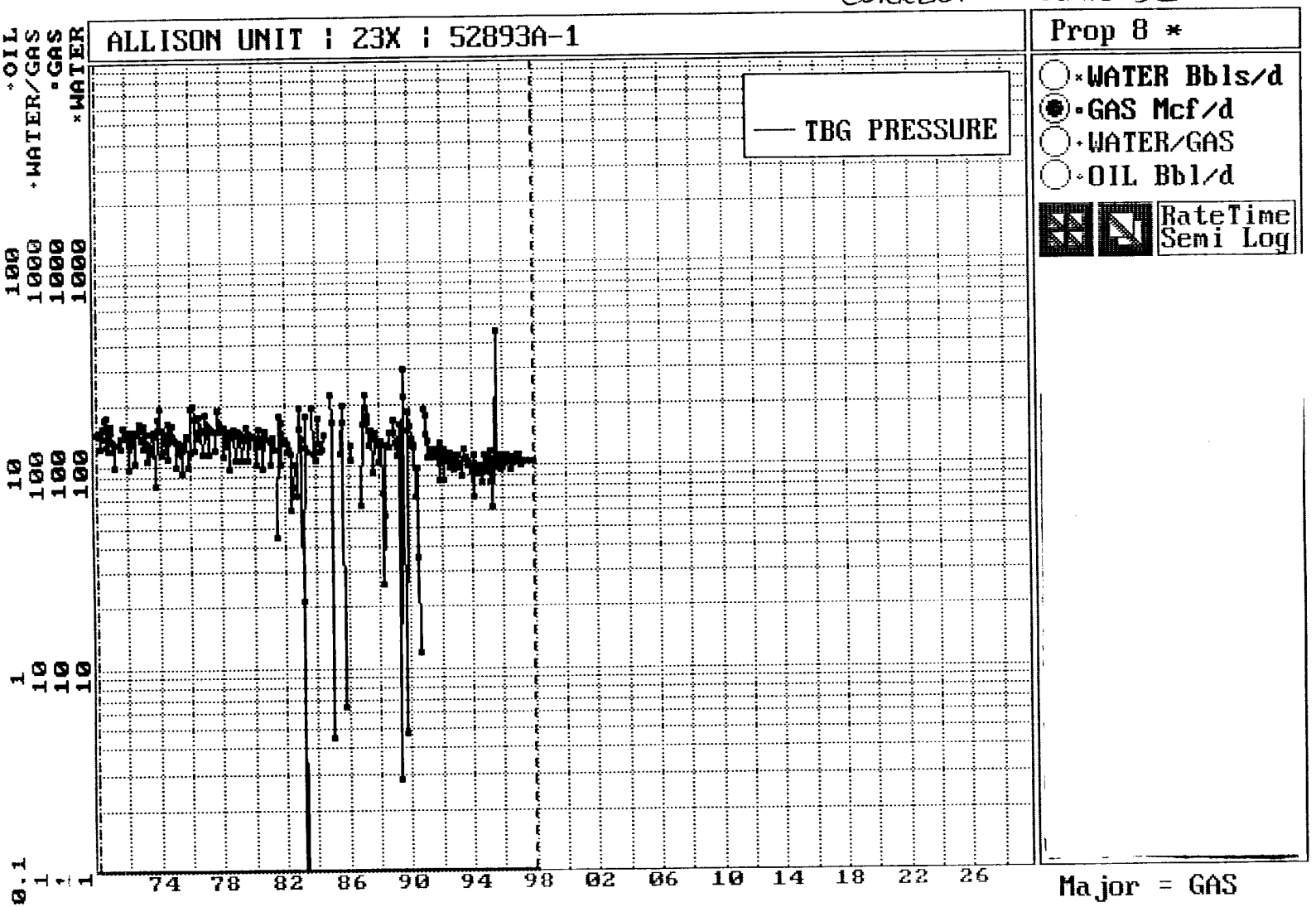
LOCATION
UNIT: M
SEC: 19
TWN: 32N
RNG: 6W

LEGEND
WELL STATUS
COMPLETION DATE
*
WELL NAME
MCF/D-CUM(MMF)
BOP/D-CUM(MBO)

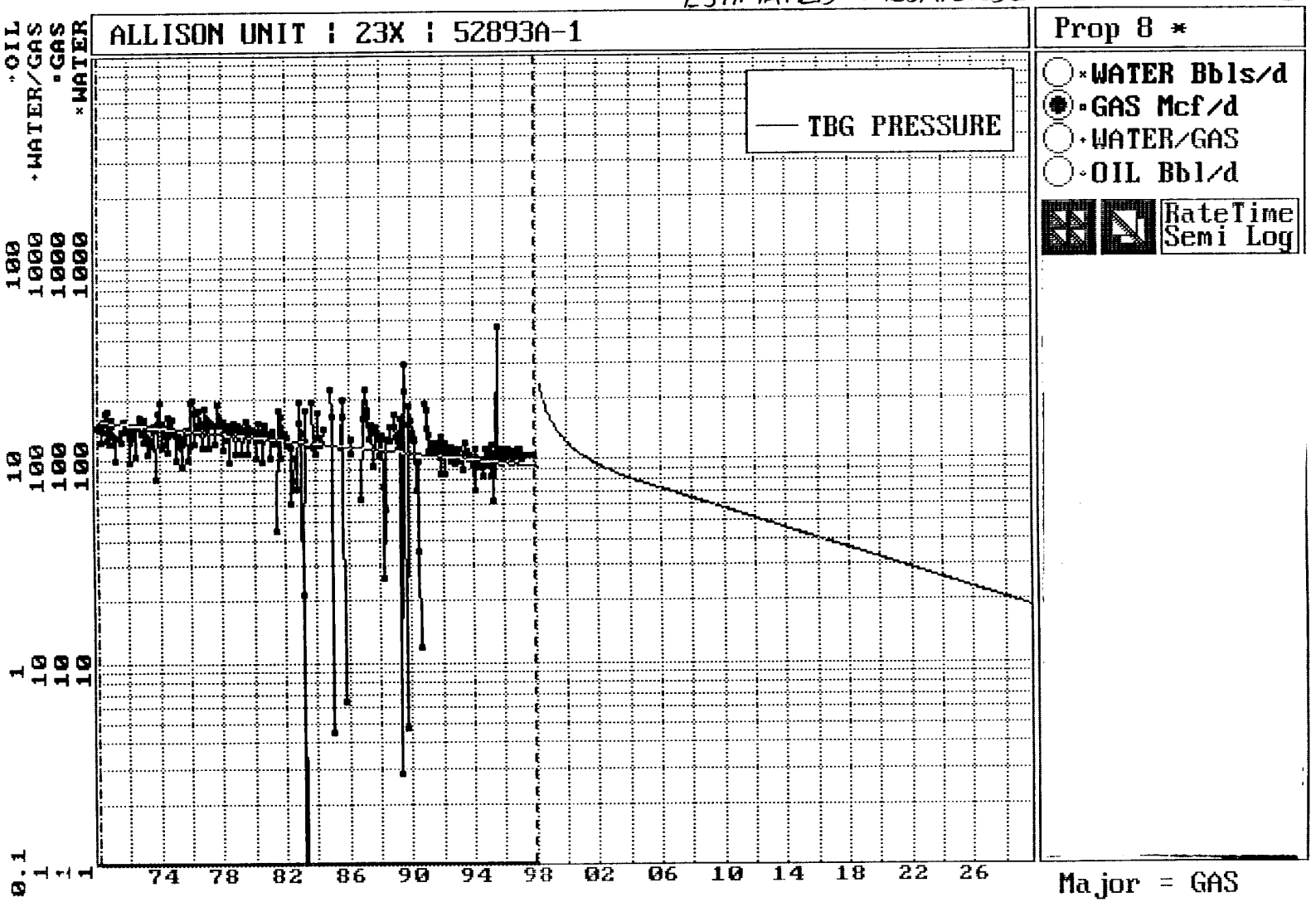
CURRENT DAKOTA



CURRENT MESAVERDE



ESTIMATED MESAVERDE AFTER PAYADD

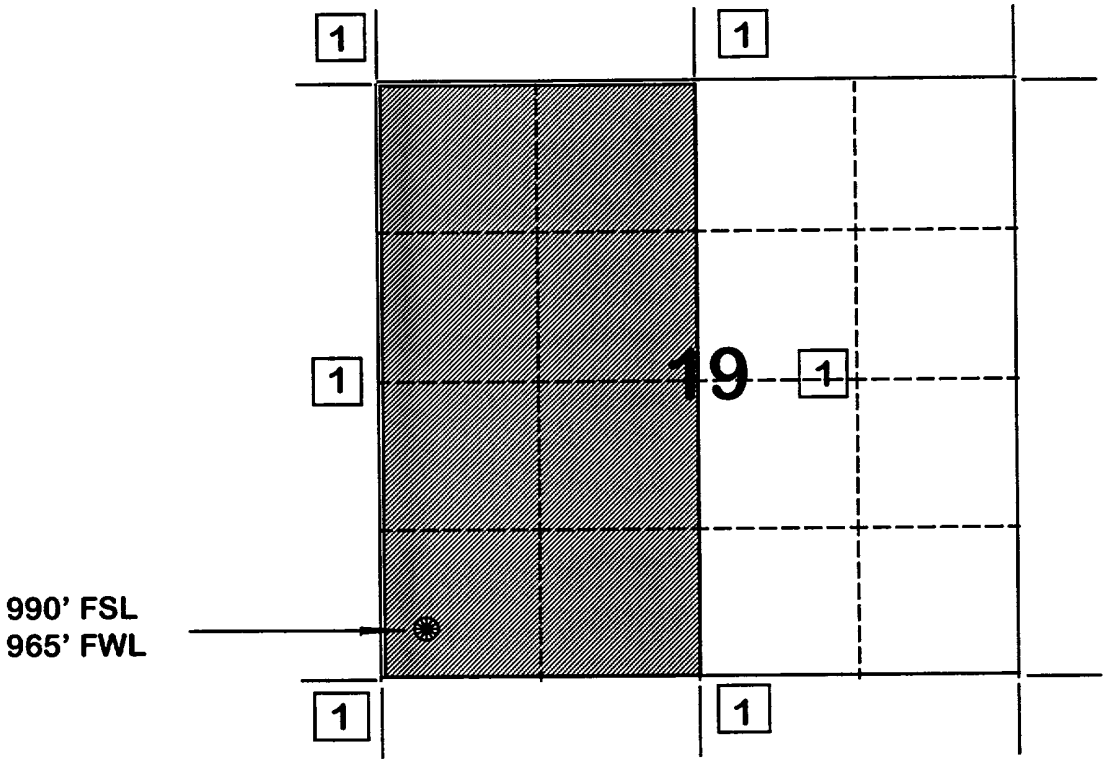


BURLINGTON RESOURCES OIL AND GAS COMPANY

Allison Unit #23X
OFFSET OPERATOR \ OWNER PLAT

Mesaverde/Dakota Formations Commingle Well

Township 32 North, Range 6 West



1) Burlington Resources Oil and Gas Co.

Allison Unit #23X
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 3/13/94

Mesa Verde

MV - Current

GAS GRAVITY	0.586
COND. OR MISC. (C/M)	M
%N2	0.09
%CO2	2.11
%H2S	0
DIAMETER (IN)	7
DEPTH (FT)	5666
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	205
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	581
BOTTOMHOLE PRESSURE (PSIA)	649.9

MV - Original

GAS GRAVITY	0.586
COND. OR MISC. (C/M)	M
%N2	0.09
%CO2	2.11
%H2S	0
DIAMETER (IN)	7
DEPTH (FT)	5666
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	205
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1208
BOTTOMHOLE PRESSURE (PSIA)	1359.4

Dakota

DK-Current

GAS GRAVITY	0.6
COND. OR MISC. (C/M)	M
%N2	0.3
%CO2	4.42
%H2S	0
DIAMETER (IN)	5
DEPTH (FT)	7935
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	215
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	602
BOTTOMHOLE PRESSURE (PSIA)	706.2

DK-Original

GAS GRAVITY	0.6
COND. OR MISC. (C/M)	M
%N2	0.3
%CO2	4.42
%H2S	0
DIAMETER (IN)	5
DEPTH (FT)	7935
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	215
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2623
BOTTOMHOLE PRESSURE (PSIA)	3116.3

Page No.: 1
Print Time: Tue Sep 30 07:14:30 1997
Property ID: 7
Property Name: ALLISON UNIT | 23X | 52893B-1
Table Name: C:\ARIES\ALLISON\TEST.DBF

DAKOTA

--DATE--	---CUM_GAS--	M_SIWHP	M_SIBHP	C_SIWHP	C_SIBHP
	Mcf	Psi	Psi		
08/12/60	0	2623.0	3117.0		
08/26/60	0	2680.0			
07/28/61	72000	1858.0			
02/27/62	109000	1790.0			
04/19/63	209000	1724.0			
04/22/64	293000	1557.0			
05/03/65	392000	1529.0			
02/23/66	475000	1421.0			
03/06/67	560000	1430.0			
03/08/68	660000	1270.0			
05/26/69	762000	1336.0			
06/02/70	863391	1229.0	1451.0		
07/19/71	955672	1234.0	1457.0		
08/10/72	1037754	1226.0	1448.0		
06/18/73	1100637	1238.0	1462.0		
04/29/75	1249775	942.0	1108.0		
08/08/77	1425343	930.0	1094.0		
06/04/79	1551283	965.0	1135.0		
05/15/81	1668663	1062.0			
04/25/83	1752472	1057.0	1245.0		
/02/85	1828281	979.0	1152.0		
08/16/88	1940092	948.0	1115.0		
08/02/90	2045138	932.0	1096.0		
03/29/92	2122468	841.0	988.0		

Page No.: 1
Print Time: Tue Sep 30 07:14:38 1997
Property ID: 8
Property Name: ALLISON UNIT | 23X | 52893A-1
Table Name: C:\ARIES\ALLISON\TEST.DBF

MESAVERDE

--DATE--	---CUM_GAS--	M_SIWHP	M_SIBHP	C_SIWHP	C_SIBHP
	Mcf	Psi	Psi		
08/12/60	0	1208.0	1359.0		
09/07/60	0	1195.0			
07/28/61	87000	878.0			
02/27/62	147000	817.0			
04/19/63	224000	839.0			
04/22/64	290000	828.0			
05/03/65	359000	747.0			
02/23/66	421000	741.0			
03/06/67	499000	757.0			
03/08/68	567000	713.0			
06/22/69	652909	706.0			
06/02/70	710437	719.0	805.0		
07/19/71	765818	719.0	805.0		
08/10/72	820737	714.0	799.0		
06/18/73	862803	737.0	825.0		
04/18/74	907003	700.0	783.0		
06/02/76	1016701	689.0	771.0		
08/03/78	1134441	701.0	785.0		
06/05/80	1222484	732.0			
05/18/82	1313014	737.0	825.0		
/02/84	1392466	745.0	834.0		
03/18/86	1426808	813.0	911.0		
09/31/89	1558237	796.0	892.0		
09/31/89	1558237	796.0	892.0		
09/31/89	1558237	796.0	892.0		
03/18/91	1618969	699.0			
08/13/91	1636480	711.0	796.0		
05/31/93	1705176	709.0	794.0		

10/13/97 WELL-INFO INQUIRE FOR 52893B 0-079714-00 WMS009M1
RECORD TYPE: W SCREEN 1
FARMINGTON SAN JUAN , NM
BASIN DAKOTA (PRORATED GAS) FIELD

ALLISON UNIT 23X
BURLINGTON RESOURCES O&G CO
DAKOTA ZONE
SAN JUAN TRUST

04/11/96 FLOWING GAS WELL

BLK	UNIT	SEC	TWN	RNG	TRACT
	SWSW	19	032N	006W	

LOCATION
990'S 965'W

WORK INT-GAS	NET INT-GAS	TD	PBTD	TPERF	BPERF	AFE	BATTERY
0.5405678	0.4605230	8104	0	7900	8034		

WORK INT-OIL	NET INT-OIL
0.5405678	0.4605230

ORIG SPUD	WO/RECOMP	DRIL COMP	WELL COMP	1ST OIL PROD	1ST OIL SOLD
07/07/60		08/01/60	08/12/60	02/03/61	

1ST GAS SOLD
11/01/60

INITIAL TEST
08/26/60 SITP2680AOF2674CHVOL2608MC/FD
CURRENT TEST

CONSULTANT
GAS CONTRACT
NXO 07/23/97

PF6 - PAGE BACK PA1 - END INQUIRE ENTER - NEXT SCREEN SCREEN NUMBER

10/13/97 WELL-INFO INQUIRE FOR 52893A 0-079715-00 WMS009M
RECORD TYPE: W SCREEN
FARMINGTON SAN JUAN , NM
ALLISON UNIT, 23X
BURLINGTON RESOURCES O&G CO
BLANCO MESAVERDE (PRORATED GAS FIELD
MESAVERDE ZONE
SAN JUAN TRUST

11/09/90 FLOWING GAS WELL

LOCATION	BLK	UNIT	SEC	TWN	RNG	TRAC
990'S, 965'W		SWSW	19	032N	006W	

WORK INT-GAS	NET INT-GAS	TD	PBTD	TPERF	BPERF	AFE	BATTER
0.5405676	0.4593383	8104	8059	5586	5726		

WORK INT-OIL	NET INT-OIL
0.5405676	0.4593383

ORIG SPUD	WO/RECOMP	DRIL COMP	WELL COMP	1ST OIL PROD	1ST OIL SOL
07/07/60			08/12/60		

1ST GAS SOL
09/07/60

INITIAL TEST
09/07/60 4751 AOF, 3438 CV, 1195 SITP, 1191 SICP
CURRENT TEST

CONSULTANT
GAS CONTRACT
NXO 07/23/97

PF6 - PAGE BACK PA1 - END INQUIRE ENTER - NEXT SCREEN SCREEN NUMBER

FARMINGTON ANNUAL PRODUCTION FOR 52893B PHS020M

ALLISON UNIT 23X/

BASIN DAKOTA (PRORATED GAS) FIELD **DAKOTA ZONE/**

====== OIL CUM =======		====== GAS CUM =======		==== WATER CUM ====	
PC DATE	BBLS	PC DATE	MCF	DATE	BBL
02 6912		01 6912	816647		

YEAR	OIL	OIL CUM	GAS	GAS CUM	WATER	WATER CU
1990			45489	2060813		
1991			49580	2110393		
1992			43660	2154053		
1993			41559	2195612		
1994			35702	2231314		
1995			42968	2274282		
1996			35813	2310095		
1997			22423	2332518		

POSITION CURSOR BY YEAR AND PRESS ENTER TO DISPLAY MONTHLY PRODUCTION

ENTER - CONTINUES ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE

PF6 - RETURN TO WELL-INFO DISPLAY PF9 - ANNUAL INJECTION DISPLA

PF10 - HELP INFORMATION

00/00/00 00:00:00:0 D03 09/02/89

FARMINGTON 1997 MONTHLY PRODUCTION FOR 52893B PHS030M

ALLISON UNIT , 23X,

BASIN DAKOTA (PRORATED GAS) FIELD **DAKOTA ZONE**

			DAYS	OIL			GAS					
MO	T	S	ON	PC	PROD	GRV	PC	PROD	ON	BTU	PRESS	WATER PROD
1	2	F					01	3352	31	956	15.025	
2	2	F					01	3169	28	956	15.025	
3	2	F					01	3023	31	956	15.025	
4	2	F					01	2931	30	956	15.025	
5	2	F					01	2423	29	956	15.025	
6	2	F					01	2580	30	956	15.025	
7	2	F					01	2646	31	956	15.025	
8	2	F					01	2299	31	956	15.025	
9												
10												
11												
12												

PF6 - RETURNS TO ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE

PF10 - HELP INFORMATION PF9 - DISPLAY MONTHLY INJECTIO

00/00/00 00:00:00:0 PRS 10/03/97

FARMINGTON ANNUAL PRODUCTION FOR 52893A PHS020M

ALLISON UNIT 23X

BLANCO MESAVERDE (PRORATED GAS FIELD **MESAVERDE ZONE**

====== OIL CUM =======		====== GAS CUM =======		==== WATER CUM ====	
PC DATE	BBLS	PC DATE	MCF	DATE	BBL
02 6912		01 6912	683964		

YEAR	OIL	OIL CUM	GAS	GAS CUM	WATER	WATER CU
1990			33613	1607127		
1991			43139	1650266		
1992			39500	1689766		
1993			38461	1728227		
1994			35379	1763606		
1995			47691	1811297		
1996			39362	1850659		
1997			23929	1874588		

POSITION CURSOR BY YEAR AND PRESS ENTER TO DISPLAY MONTHLY PRODUCTION

ENTER - CONTINUES ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE

PF6 - RETURN TO WELL-INFO DISPLAY PF9 - ANNUAL INJECTION DISPLA

PF10 - HELP INFORMATION

00/00/00 00:00:00:0 D03 09/02/89

FARMINGTON 1997 MONTHLY PRODUCTION FOR 52893A PHS030M

ALLISON UNIT 23X

BLANCO MESAVERDE (PRORATED GAS FIELD **MESAVERDE ZONE**

			DAYS	====== OIL =======			========== GAS ==========					
MO	T	S	ON	PC	PROD	GRV	PC	PROD	ON	BTU	PRESS	WATER PROD
1	2	F					01	3427	31	988	15.025	
2	2	F					01	3105	28	649	15.025	
3	2	F					01	3235	31	632	15.025	
4	2	F					01	3137	30	661	15.025	
5	2	F					01	2969	29	710	15.025	
6	2	F					01	2228	30	991	15.025	
7	2	F					01	2319	31	991	15.025	
8	2	F					01	3509	31	740	15.025	
9												
10												
11												
12												

PF6 - RETURNS TO ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE

PF10 - HELP INFORMATION PF9 - DISPLAY MONTHLY INJECTIC

00/00/00 00:00:00:0 PRS 10/03/97

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. 10743
Order No. R-9918

APPLICATION OF MERIDIAN OIL INC.
FOR DOWNHOLE COMMINGLING AND FOR
AN ADMINISTRATIVE DOWNHOLE COMMINGLING
PROCEDURE WITHIN THE ALLISON UNIT
AREA, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1993, at Santa Fe, N Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of July, 1993, the Division Director, having consid the testimony, the record, and the recommendations of the Examiner, and being f advised in the premises,

FINDS THAT:

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

(2) The applicant, Meridian Oil Inc., seeks approval to commingle production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison Well No. 9R located 1720 feet from the North line and 1655 feet from the East (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan Cou New Mexico.

(3) The applicant further seeks the adoption of an administrative procedure authorizing the downhole commingling of Blanco-Mesaverde and Basin-Dakota production within certain existing and subsequently drilled wells in its Allison Unit A San Juan County, New Mexico, without additional notice to each affected interest ov within the Unit Area.

(4) The Allison Unit Well No. 9R is to be drilled as a replacement well for the Allison Unit Well No. 9 which is located 1765 feet from the North line and 1500 feet from the East line (Unit G) of Section 13 and which is currently completed in and producing from the Basin-Dakota Pool.

(5) The Allison Unit Well No. 9 was drilled in 1955 and has cumulatively recovered some 4.4 BCF of gas from the Basin-Dakota Pool.

(6) Due to the age and mechanical condition of the Allison Unit Well No. 9, the applicant has estimated that it will not recover some 1.7 BCF of gas in the Basin-Dakota Pool underlying the E/2 of Section 13.

(7) Applicant's testimony indicates that due to economics, the Allison Unit Well No. 9R cannot be drilled solely to recover gas reserves in the Basin-Dakota Pool.

(8) The applicant expects to encounter marginal production only from the Blanco-Mesaverde Pool.

(9) The proposed downhole commingling is necessary in order for the applicant to economically recover Basin-Dakota and Blanco-Mesaverde Pool reserves underlying the E/2 of Section 13.

(10) The Allison Unit is a Federal exploratory unit initially comprising some 11,705 acres in New Mexico and some 2,069 acres in Colorado. Within New Mexico, the unit comprises portions of Township 32 North, Ranges 6 and 7 West, NMPM, San Juan County. The unit was formed in 1950 and is currently operated by Meridian Oil Inc.

(11) The evidence and testimony presented indicates that the Basin-Dakota and Blanco-Mesaverde Pools have both been substantially developed within the Allison Unit.

(12) The applicant has identified numerous Mesaverde and Dakota well locations within the Allison Unit which by virtue of marginal gas reserves and resulting poor economics cannot be economically drilled and produced as stand alone units.

(13) The current well economics and projected Dakota and Mesaverde gas reserves underlying these respective tracts virtually assure that these wells must be downhole commingled in order to meet the economic criteria for drilling.

(14) The applicant expects initial producing rates from both the Mesaverde and Dakota formations to be fairly marginal in nature.

(15) The applicant further demonstrated through its evidence and testimony th within the wells it proposes or will propose to commingle within the Unit Area:

a) there will be no crossflow between the two commingled pools;

b) neither commingled zone exposes the other to damage by produc liquids;

c) the fluids from each zone are compatible with the other;

d) the bottomhole pressure of the lower pressure zone should not less than 50 percent of the bottomhole pressure of the high pressure zone adjusted to a common datum; and,

e) the value of the commingled production is not less than the sum the values of the individual production.

(16) The Dakota and Mesaverde Participating Areas within the Allison Unit a not common.

(17) By virtue of different Participating Areas, the interest ownership betwe the Dakota and Mesaverde formations within any given wellbore is not common.

(18) Applicant's Exhibit No. 2 in this case is a list of three hundred and f four (354) interest owners in the Dakota and Mesaverde Participating Areas within Allison Unit. All such interest owners were notified of the application in this case.

(19) Rule No. 303(C) of the Division Rules and Regulations provides t administrative approval for downhole commingling may be granted provided that interest ownership, including working, royalty and overriding royalty interest, is comn among the commingled zones.

(20) Applicant's proposed administrative procedure would provide for Divis approval to downhole commingle wells in the Allison Unit Area without hearing, without the requirement that each interest owner in the Dakota and Mesave Participating Areas be notified of such commingling.

(21) The downhole commingling of wells within the Allison Unit Area v benefit working, royalty and overriding royalty interest owners. In addition, downhole commingling of wells within the Allison Unit Area should not violate correlative rights of any interest owner.

(22) evidence in this case indicates that . : to each interest owner within the Dakota an. .Mesaverde Participating Areas of sub..quent downhole commingling within the Allison Unit is unnecessary and is an excessive burden on the applicant.

(23) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(24) An administrative procedure should be established within the Allison Unit for obtaining approval for subsequently downhole commingled wells without notice to Unit interest owners and hearing, provided however that, all provisions contained within Rule No. 303(C) of the Division Rules and Regulations, with the exception of Part 1 (b)(v), are fully complied with.

(25) The proposed administrative procedure for obtaining approval for downhole commingling will allow the applicant the opportunity to recover additional gas reserves from the Allison Unit Area which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(26) In the interest of prevention of waste and protection of correlative rights. the proposed downhole commingling within the Allison Unit Well No. 9R should be approved.

(27) The applicant should consult with the supervisor of the Aztec District Offic of the Division subsequent to the completion of the subject well in order to determine proper allocation of production.

(28) The operator should immediately notify the supervisor of the Aztec distric office of the Division any time the subject well has been shut-in for seven consecutiv days and shall concurrently present, to the Division, a plan for remedial action.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Meridian Oil Inc., is hereby authorized to commingle g production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison U: Well No. 9R located 1720 feet from the North line and 1655 feet from the East li (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan Coun: New Mexico.

(2) The applicant shall consult with the supervisor of the Aztec district office the Division subsequent to the completion of the subject well in order to determin proper allocation of production.

(3) The operator shall immediately notify the supervisor of the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) An administrative procedure for obtaining approval to downhole commingle wells within the Allison Unit, located in portions of Township 32 North, Ranges 6 and 7 West, NMPM, San Juan County, New Mexico, is hereby established.

(5) In order to obtain Division authorization to downhole commingle wells within the Allison Unit, the applicant shall file an application with the Santa Fe and Aztec Offices of the Division. Such application shall contain all of the information required under Rule No. 303(C) of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the Dakota and Mesaverde Participating Areas in the Allison Unit of such proposed commingling. In addition, the application shall contain evidence that all offset operators and the United States Bureau of Land Management (BLM) have been notified of the proposed commingling.

(6) Jurisdiction is hereby 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

WILLIAM J. LEMAY
Director

S E A L