

## 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 87505-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS :

☒ Administrative ☐ Hearing

## APPLICATION FOR DOWNHOLE COMMINGLING

## EXISTING WELLBORE

☒ YES ☐ NO

Burlington Resources Oil &amp; Gas Company

PO Box 4289, Farmington, NM 87499

Operator

Address

Allison Unit

40

A 19-32N-06W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 6784 API NO. 30-045-21320 Federal ☒ State ☐ (and/or) Fee ☐

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)	will be supplied upon completion		7934-8064
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. 612 psi (see attachment)  (Original) b. 1300 psi (see attachment)		a. 940 psi (see attachment)  b. 2988 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1052		BTU 950
7. Producing or Shut-In?	shut-in		producing
Production Marginal? (yes or no)	no		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 of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
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 ☒ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☒ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☒ No11. Will cross-flow occur? ☒ 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. ☒ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ 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. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). Reference Order R-9918 attached

## 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 Kenneth M. Collins TITLE Production Engineer DATE 06-26-98TYPE OR PRINT NAME Kenneth M. Collins TELEPHONE NO. (505) 326-9700

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer 00, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-  
Revised February 21, 1998  
Instructions on t  
Submit to Appropriate District Of  
State Lease - 4 Cc  
Fee Lease - 3 Cc

☐ AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-21320		Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code 6784	Property Name ALLISON UNIT		Well Number 40
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		Elevation 6511'

10 Surface Location

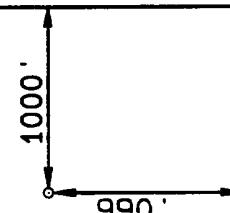
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	32N	6W		1000	NORTH	990	EAST	SAN JU

11 Bottom Hole Location If Different From Surface

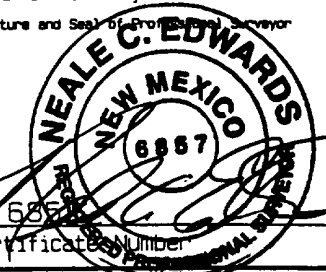
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acreage MV-E/320 DK-E/320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 Not resurveyed, prepared from a plat dated 7-27-73 by David O. Vilven.		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
		Signature Peggy Bradfield Printed Name Regulatory Administrator Title July 9, 1998 Date
		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made on or under my supervision and that the same is true and correct to the best of my belief.

JULY 6, 1998  
Date of Survey

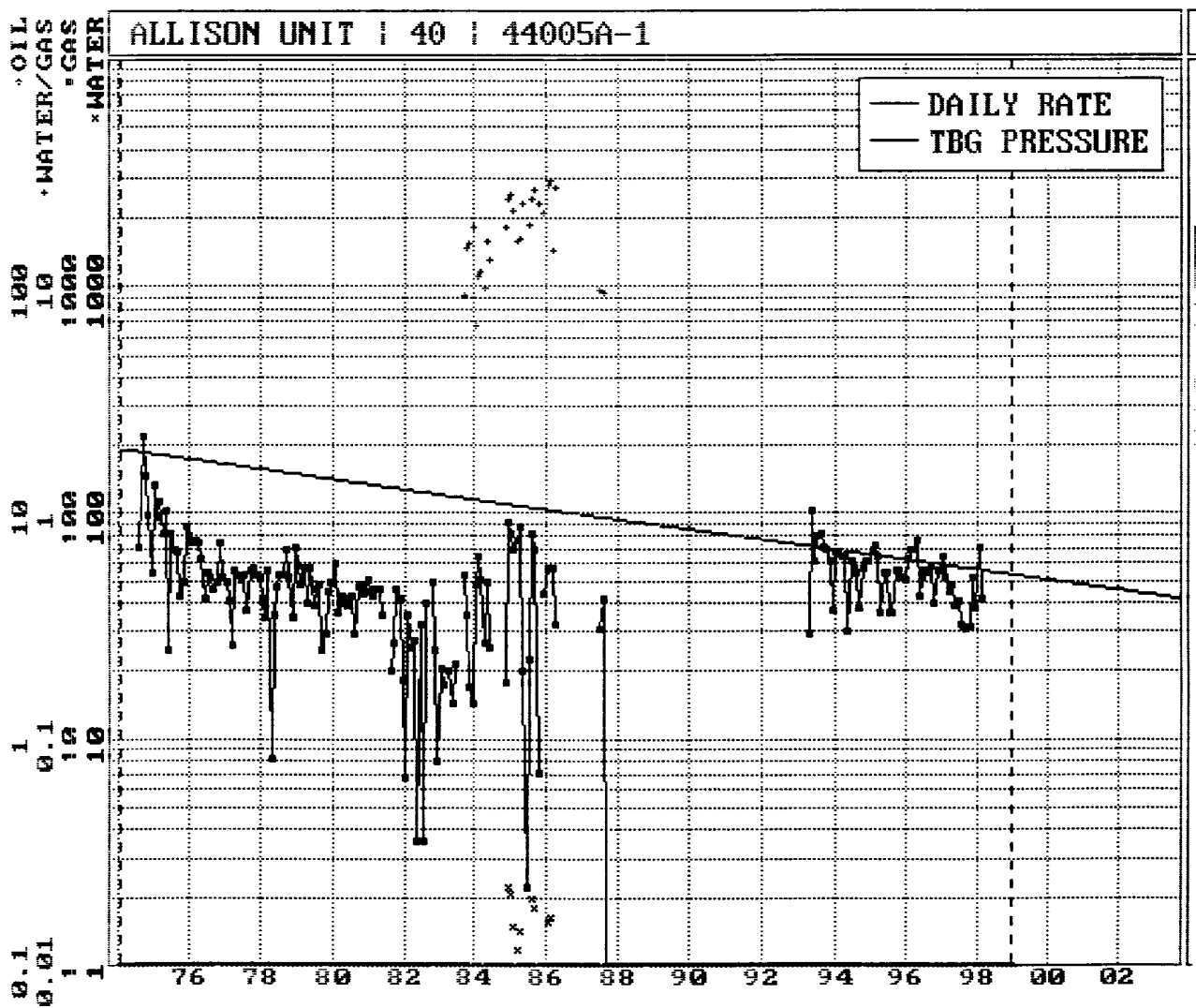
Signature and Seal of Professional Surveyor  


6887  
Certificate Number

# Allison Unit #40

Actual Production

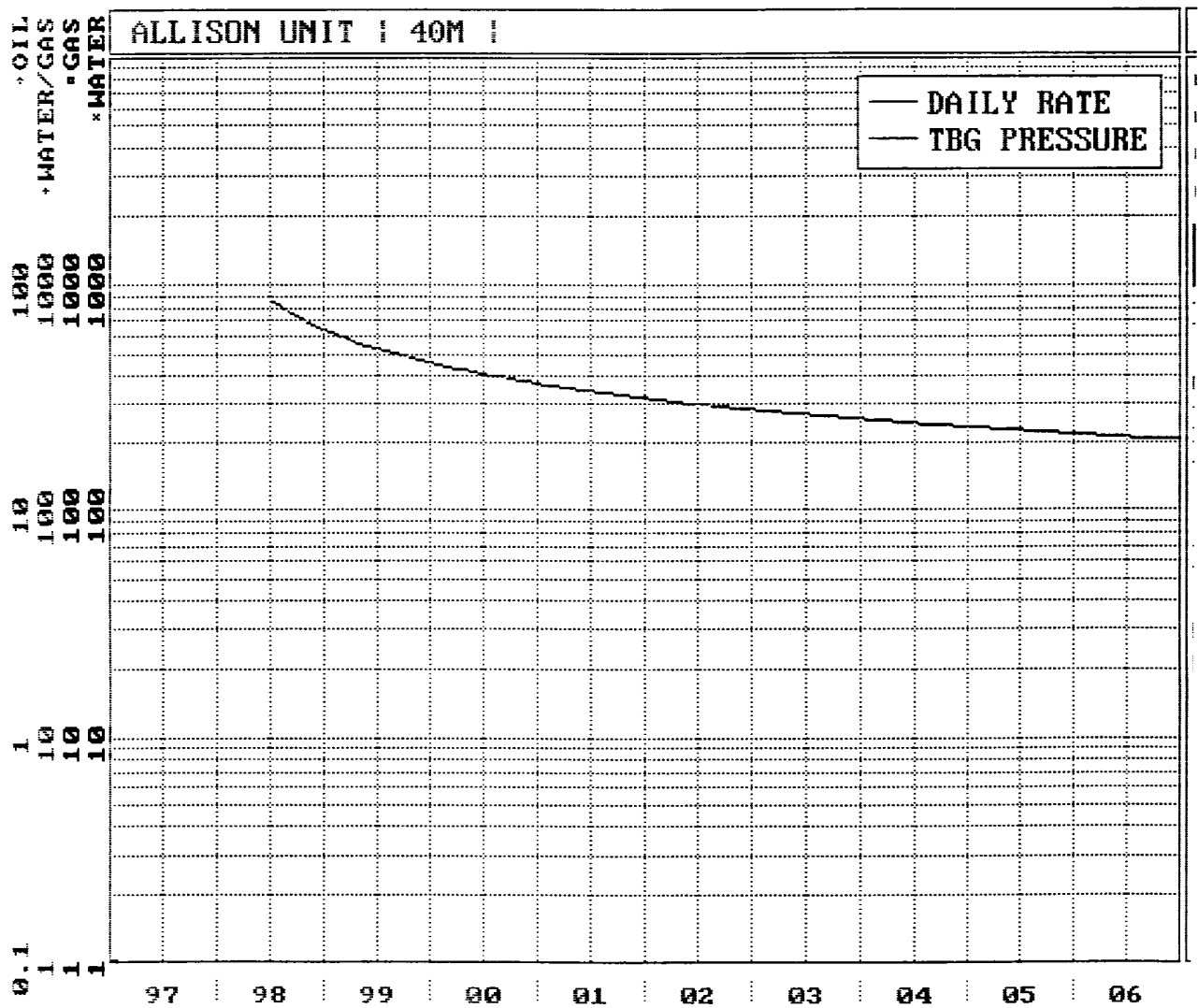
Basin Dakota



# Allison Unit #40

Expected Production

Blanco Mesaverde



Page No.: 2  
Print Time: Mon Jun 08 16:20:28 1998  
Property ID: 46  
Property Name: ALLISON UNIT | 40 | 44005A-1  
Table Name: Q:\PUBLIC\GENTITY\GDPNOS\TEST.DBF

--DATE-- M SIWHP  
■■■■■■■■■■ ■■■■ Psi■■■

01/22/74	2493.0	- original
11/04/74	1270.0	
04/29/75	959.0	
06/02/76	797.0	
05/01/85	794.0	- current

Allison #40

Basin Dakota

Page No.: 7  
 Print Time: Mon Jun 08 16:20:30 1998  
 Property ID: 4667  
 Property Name: ALLISON UNIT | 17 | 52928A-1  
 Table Name: Q:\PUBLIC\GENTITY\GDPNOS\TEST.DBF

--DATE-- M SIWHP  
 ::::: Psi:::

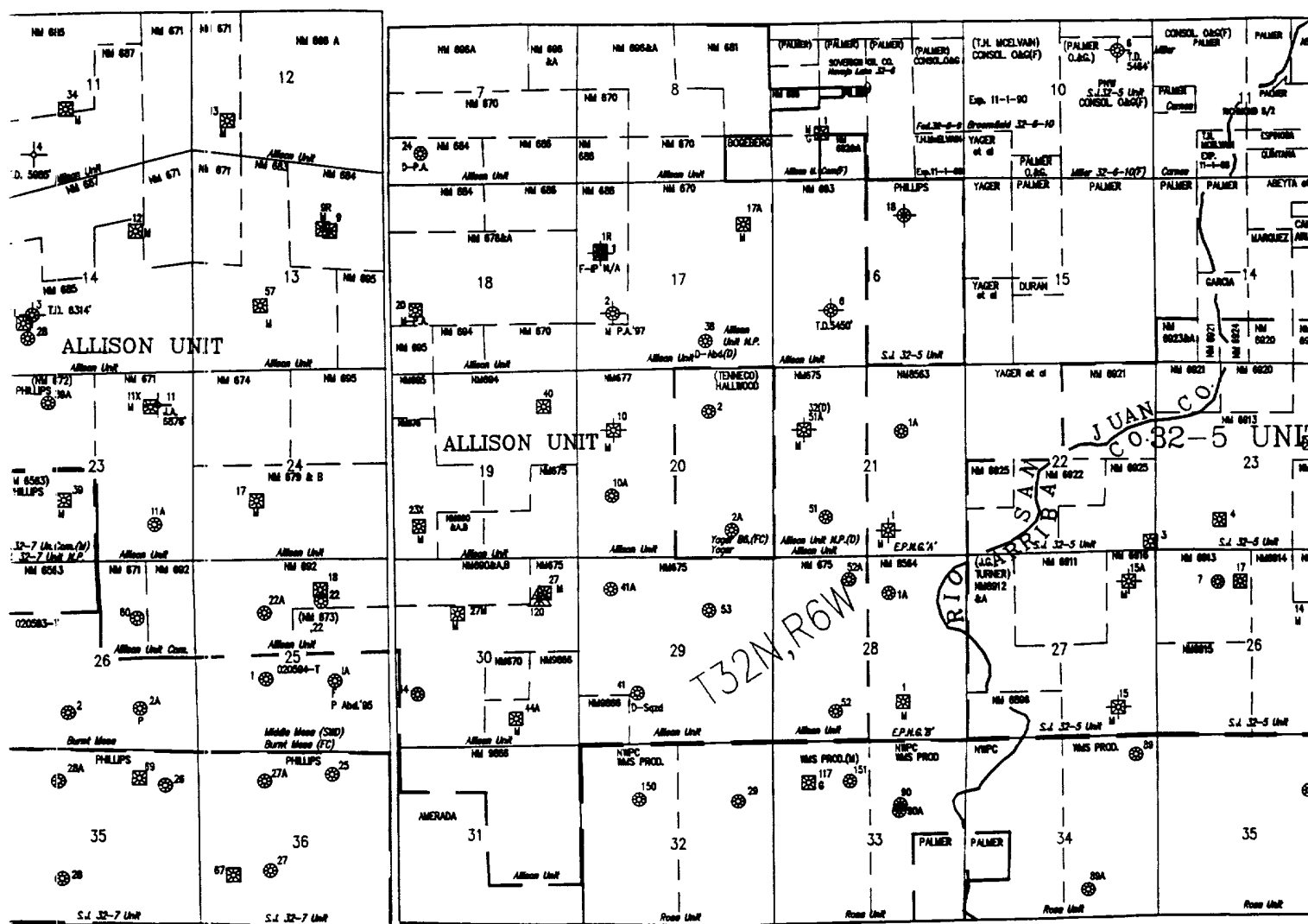
Allison #40  
 Mesaverde Offset

08/11/58	1074.0	-original
09/29/58	1061.0	
10/22/59	845.0	
07/29/60	617.0	
07/28/61	605.0	
04/25/62	664.0	
04/29/63	659.0	
04/22/64	670.0	
05/03/65	606.0	
02/23/66	590.0	
03/06/67	609.0	
03/08/68	646.0	
06/22/69	682.0	
06/02/70	699.0	
12/14/71	699.0	
08/10/72	629.0	
04/18/74	612.0	
06/02/76	659.0	
08/03/78	585.0	
06/05/80	597.0	
05/18/82	582.0	
07/02/84	578.0	
03/18/86	548.0	
09/31/89	554.0	
09/31/89	554.0	
09/31/89	554.0	
03/18/91	530.0	
08/13/91	542.0	
05/31/93	513.0	-current

**Allison Unit #40**  
Bottom Hole Pressures  
Flowing and Static BHP  
Cullender and Smith Method  
Version 1.0 3/13/94

Mesaverde		Dakota	
<u>MV-Current</u>		<u>DK-Current</u>	
GAS GRAVITY	0.631	GAS GRAVITY	0.599
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.81	%N2	0.78
%CO2	1.94	%CO2	4.12
%H2S	0	%H2S	0
DIAMETER (IN)	2	DIAMETER (IN)	2.375
DEPTH (FT)	7714	DEPTH (FT)	8081
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	513	SURFACE PRESSURE (PSIA)	794
BOTTOMHOLE PRESSURE (PSIA)	612.2	BOTTOMHOLE PRESSURE (PSIA)	939.9
<u>MV-Original</u>		<u>DK-Original</u>	
GAS GRAVITY	0.631	GAS GRAVITY	0.599
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.81	%N2	0.78
%CO2	1.94	%CO2	4.12
%H2S	0	%H2S	0
DIAMETER (IN)	2	DIAMETER (IN)	2.375
DEPTH (FT)	7714	DEPTH (FT)	8081
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1074	SURFACE PRESSURE (PSIA)	2493
BOTTOMHOLE PRESSURE (PSIA)	1300.3	BOTTOMHOLE PRESSURE (PSIA)	2988.1

## Recomplete to Add Mesaverde





### 1) Burlington Resources

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, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of July, 1993, 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, Meridian Oil Inc., seeks approval to commingle gas production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison Unit Well No. 9R located 1720 feet from the North line and 1655 feet from the East line (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

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

(15) The applicant further demonstrated through its evidence and testimony that 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 produced liquids;
- c) the fluids from each zone are compatible with the other;
- d) the bottomhole pressure of the lower pressure zone should not be less than 50 percent of the bottomhole pressure of the higher pressure zone adjusted to a common datum; and,
- e) the value of the commingled production is not less than the sum of the values of the individual production.

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

(17) By virtue of different Participating Areas, the interest ownership between 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 fifty four (354) interest owners in the Dakota and Mesaverde Participating Areas within the 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 that administrative approval for downhole commingling may be granted provided that the interest ownership, including working, royalty and overriding royalty interest, is common among the commingled zones.

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

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

(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