



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
[http://nemnr.state.nm.us/ocd/District III/3district.htm](http://nemnr.state.nm.us/ocd/District%20III/3district.htm)

GARY E. JOHNSON
GOVERNOR

Jennifer A. Salisbury
CABINET SECRETARY

May 28, 1998

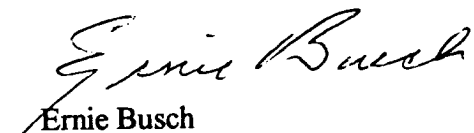
Kay Maddox
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Re: State Com S #15A, D-36-32N-12W, 30-045-22942, Allocation for Downhole
Commingling

Dear Ms. Maddox:

Your Recommended subtraction method of allocation using production forecasts for the Fruitland
Sand and Pictured Cliffs formations, for the referenced well is hereby approved.

Yours truly,


Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

cc: Well File

Subtract, con



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

May 20, 1998

Mr. Frank Chavez
Oil Conservation Division
1000 Rio Brazos Rd
Aztec, New Mexico 87410

RECEIVED
MAY 22 1998
OIL CON. DIV.
DIST. 3

RE: Allocation For Downhole Commingling
Blanco Mesaverde (72319), Blanco Pictured Cliffs (72359), Glades Fruitland Sand
(77410)
State Com S # 15A 30-045-229420
Section 36, T-32-N, R-12-W, D
790' FNL & 1150 FWL
San Juan County, New Mexico

Dear Mr. Chavez,

Please find attached a copy of the Downhole Commingle Order #11032 that permits the commingling of the above listed three zones in the subject well. This well was originally permitted stating fixed percentages. After completing this well a combined test was conducted May 12, 1998 and the well produced 450 MCFD, 15 BWPD and .25 BOPD @ 127 # FTP. Please find attached a forecast of production from the Fruitland Sand and the Pictured Cliffs. Based on this historical data and test information Conoco requests that the allocation method used for the subject well be the subtraction method using the data attached.

If there are any further questions regarding this request please contact me at (915) 686-5798.

Thank you.

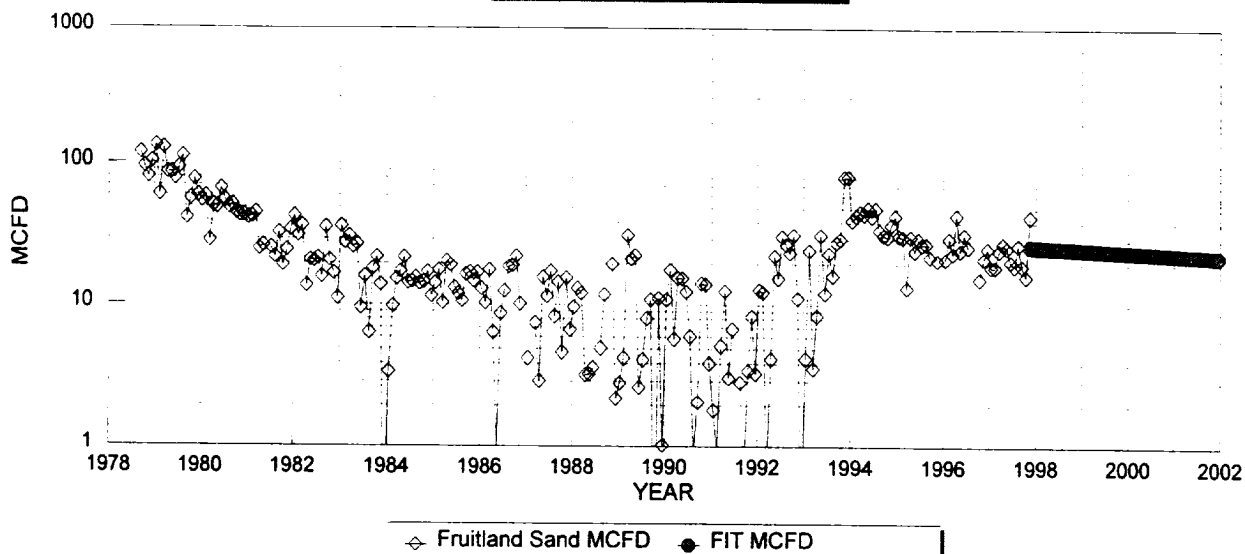
Sincerely yours,

A handwritten signature in cursive script that reads "Kay Maddox".

Kay Maddox
Regulatory Agent

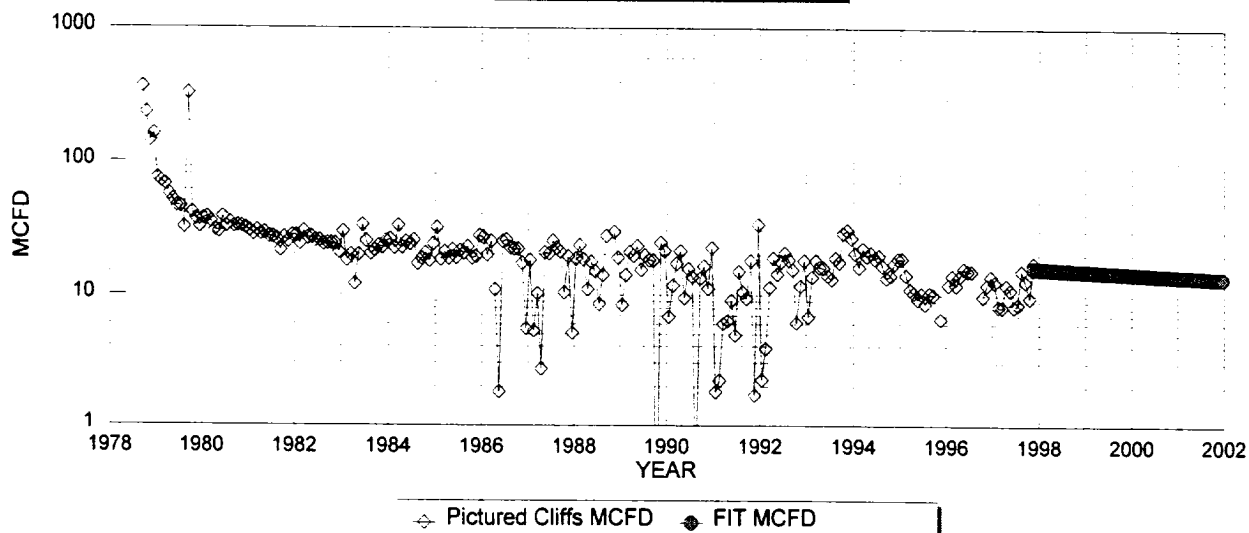
Km/

State Com S15A (Fruitland Sand)
36D-32N-12W



FS HISTORICAL DATA:	1ST PROD: 09/78	Fruitland Sd	PROJECTED DATA
OIL CUM:	0.00 MBO	1/1/98 Qi:	27 MCFD
GAS CUM:	173.4 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF		

State Com S15A (Pictured Cliffs)
36D-32N-12W



PC HISTORICAL DATA	1ST PROD: 09/78	Pictured Cliffs	PROJECTED DATA
OIL CUM:	0.0 MBO	1/1/98 Qi:	16 MCFD
GAS CUM:	172.0 MMCF	DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0002 BBL/MCF		

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL	GAS ALLOCATION BASED ON PROJECTED 1998 RATES
Fruitland Sd	63%	0%	OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
Pictured Cliffs	37%	100%	

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

PREPARED BY: SWJ

SC S15A: FRUITLAND SD & PIC CLIFFS FORECAST FOR SUBTRACTION COMMINGLED WITH MESAVERDE
36D-32N-12W

YEAR	FS MCFD	PC MCFD	TOTAL MCFD	FS OIL; BOPD	PC OIL; BOPD
1998	27	16	43	0.00	0.00
1999	26	15	41	0.00	0.00
2000	25	15	39	0.00	0.00
2001	24	14	38	0.00	0.00
2002	23	13	36	0.00	0.00
2003	22	13	35	0.00	0.00
2004	21	12	33	0.00	0.00
2005	20	12	32	0.00	0.00
2006	19	11	31	0.00	0.00
2007	19	11	30	0.00	0.00
2008	18	11	28	0.00	0.00
2009	17	10	27	0.00	0.00
2010	16	10	26	0.00	0.00
2011	16	9	25	0.00	0.00
2012	15	9	24	0.00	0.00
2013	15	9	23	0.00	0.00
2014	14	8	22	0.00	0.00
2015	13	8	21	0.00	0.00
2016	13	8	20	0.00	0.00
2017	12	7	20	0.00	0.00
2018	12	7	19	0.00	0.00
2019	11	7	18	0.00	0.00
2020	11	6	17	0.00	0.00
2021	10	6	17	0.00	0.00
2022	10	6	16	0.00	0.00
2023	10	6	15	0.00	0.00
2024	9	5	15	0.00	0.00
2025	9	5	14	0.00	0.00
2026	9	5	14	0.00	0.00
2027	8	5	13	0.00	0.00
2028	8	5	13	0.00	0.00
2029	8	4	12	0.00	0.00
2030	7	4	12	0.00	0.00
2031	7	4	11	0.00	0.00

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. 11032
ORDER NO. R-10205

APPLICATION OF CONOCO, INC. FOR DOWNHOLE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 1, 1994 at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 30th day of September, 1994 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) Case Nos. 11028, 11029, 11030, 11031, 11032, 11033, 11035 and 11036 were consolidated for the purpose of presenting testimony at the hearing.
- (3) In Case No. 11032, the applicant, Conoco, Inc. (Conoco), seeks approval for the downhole commingling of production from the Glades-Fruitland Sand, Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com S Well No. 15A, located 790 feet from the North line and 1150 feet from the West line (Unit D) of Section 36, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.
- (4) The NW/4 of said Section 36 (160 acres) is dedicated to both the Glades Fruitland Sand and the Blanco-Pictured Cliffs completions and the N/2 of Section 36 (320 acres) is dedicated to the Blanco Mesaverde completion. The same working interests and royalty interests share ownership in all three completions but the division of ownership among the owners is different in the two upper completions from that in the Mesaverde.

(5) Conoco submitted data showing that the owners of interests in the well and offset operators have been notified of the application. No interest owner or offset operator appeared at the hearing in opposition to the application. A letter of approval from the New Mexico Commissioner of Public Lands was submitted into the record.

(6) Data was presented at the hearing showing that all three completions are low volume producers and that the Pictured Cliffs and Fruitland Sand completions are below the economic limit. The proposed commingling is necessary to permit the zones to be produced economically.

(7) Based on the bottomhole pressure data presented at the hearing, there should be no cross flow between zones. The bottomhole pressures are 270 psia in the Fruitland Sand, 424 psia in the Pictured Cliffs and 464 psia in the Mesaverde.

(8) No reservoir damage due to incompatibility of reservoir fluids is expected.

(9) Commingling is expected to increase total recovery by 104.7 MMCF in 10 years.

(10) Conoco proposed a method of allocating gas production to the three zones based on current producing rates and relative BTU values. Using current tests, 27.86% of production would be allocated to the Fruitland Sand, 11.56% to the Pictured Cliffs and 60.58% to the Mesaverde. Final percentages would be determined based on a combined test following commingling. It is expected that total commingled production will show an increase due to the removal of packers from the well. Conoco proposes that any increase be attributed to the lower (Mesaverde) zone. Final percentages for gas allocation would be determined after consulting with the supervisor of the Aztec District Office of the Division.

(11) Conoco submitted tests and production records to support their proposal that any condensate production be allocated to the Mesaverde following commingling.

(12) Approval of this application is in the best interest of conservation and will serve to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Conoco, Inc. for authority to downhole commingle production from the Glades-Fruitland Sand, Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com S Well No. 15A, located 790 feet from the North line and 1150 feet from the West line (Unit D) of Section 36, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, is hereby approved.

(2) Conoco shall consult with the Supervisor of the Aztec District Office in determining the proper allocation of gas production using the method discussed in Finding Paragraph No. (10) of this order.

(3) Final gas allocation percentages shall be reported by Conoco to the Santa Fe Office of the Division referencing this case and order number.

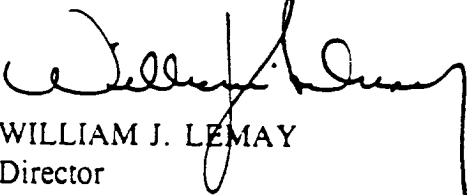
(4) The operator is responsible for reporting the monthly gas production from the subject well using the allocation method herein adopted.

(5) Any condensate production shall be allocated entirely to the Mesaverde interval.

(6) 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



WILLIAM J. LEMAY
Director

S E A L