

CASE 5601: CONSOLIDATED OIL &
GAS, INC. FOR DOWNHOLE COMMINGLIN
RIO ARriba COUNTY, NEW MEXICO

CASE NO.

5601

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

sid morrison reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 7, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Consolidated Oil & Gas,) CASE
Inc. for downhole commingling,) 5601
Rio Arriba County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 2

I N D E X

FLOYD E. ELLISON, JR.

Direct Examination by Mr. Kellahin

Cross Examination by Mr. Stamets

Page

3

9

EXHIBIT INDEX

Applicant's Exhibit No. One, Plat

Applicant's Exhibit No. Two, Diagrammatic Sketch

Applicant's Exhibit No. Three, Administrative Order

Applicant's Exhibit No. Four, Letter

Applicant's Exhibit No. Five, Graph

Applicant's Exhibit No. Six, Plot

Applicant's Exhibit No. Seven, Table

Applicant's Exhibit No. Eight, Form 9331

Applicant's Exhibit No. Nine, Letter & Temp. Survey

Page

9

9

9

9

9

9

9

9

9

1 MR. STAMETS: We will call the next Case, 5601.

2 MR. CARR: Case 5601, application of Consolidated
3 Oil & Gas, Inc. for downhole commingling, Rio Arriba County,
4 New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox
6 appearing on behalf of the Applicant, Consolidated Oil & Gas,
7 Inc., I have one witness to be sworn.

8 MR. STAMETS: Stand and be sworn, please.

9 (THEREUPON, the witness was duly sworn.)

10 FLOYD E. ELLISON, JR.

11 called as a witness, having been first duly sworn, was
12 examined and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom employed
17 and in what capacity?

18 A Floyd E. Ellison, Junior with Consolidated Oil &
19 Gas out of Denver, Colorado. My title is Area Production
20 Manager.

21 Q Mr. Ellison, have you previously testified before
22 the Oil Conservation Commission and had your qualifications
23 as an expert witness accepted and made a matter of record?

24 A Yes, I have.

25 Q Are you familiar with the facts surrounding this

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 4

1 particular application by Consolidated?

2 A. Yes, I am.

3 MR. KELLAHIN: If the Examiner please, are the
4 witness's qualifications acceptable?

5 MR. STAMETS: They are.

6 Q (Mr. Kellahin continuing.) Mr. Ellison, would you
7 refer to what has been marked as Exhibit Number One and
8 identify it and state briefly what Consolidated is seeking?

9 A. Exhibit Number One is a plat of the area surrounding
10 the Tribal C 10-7. Presently it is a Pictured Cliffs-Dakota
11 dual and Consolidated is requesting permission to commingle
12 the Pictured Cliffs and Dakota zones because of a hole in the
13 tubing.

14 Q Could you identify it for us, the ownership of the
15 offset operators in Section 8, do you know the ownership in
16 that Section?

17 A. Yes, just one moment. Okay, in Section 8 to the
18 east -- Consolidated Oil & Gas has the western half of the
19 Section.

20 Q Okay, in Section 17, going clockwise?

21 A. In Section 17 in the Pictured Cliffs Mobil has
22 the Pictured Cliffs and McHugh, I believe it is, has the
23 Dakota.

24 Q How about in Section 18?

25 A. Again I believe it is McHugh unless it has been

1 purchased by someone else.

2 Q The west half of Section 7?

3 A The west half of Section 7 is Mobil Oil.

4 Q And the south half of Section 6?

5 A Consolidated Oil & Gas.

6 Q And the southwest quarter of Section 5?

7 A Consolidated Oil & Gas.

8 MR. STAMETS: I missed Section 18.

9 Q (Mr. Kellahin continuing.) What is the ownership
10 in the north half of Section 18?

11 A All right, as I had it out of PI cards it is McHugh,
12 I'm not sure if that is still the land owner or not, or the
13 operator.

14 Q Okay. Please refer to Exhibit Number Two and identify
15 it?

16 A Exhibit Number Two is a diagrammatic sketch that
17 accompanied the application for dual completion and it does
18 show the casing, tubular, and perforations in the Tribal C 10.

19 Q Exhibit Number Three?

20 A Exhibit Number Three is the administrative order
21 giving permission to dual the Tribal C 10.

22 Q All right, Exhibit Number Four?

23 A Exhibit Number Four is a letter to the USGS requesting
24 permission to commingle the Pictured Cliffs-Dakota zones and
25 it does state the reasons that we set forth dealing with why

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 6

1 we should commingle the zones.

2 Q All right. Would you highlight for the Examiner the
3 contents of that Exhibit Number Four? In other words, you
4 proposed to the USGS that there be an allocation of the gas
5 production between the two zones, what is that proposed
6 allocation?

7 A All right, that proposed allocation is based upon
8 what we felt was the remaining gas production to the two zones
9 of thirty-nine point eight percent to the Pictured Cliffs and
10 sixty point two percent to the Dakota with all of the oil
11 production being credited to the Dakota.

12 Q What is the reason for seeking the downhole
13 commingling?

14 A All right, in the Tribal C 10 this past year,
15 communication has been established by a hole in the tubing
16 and right at this point it's a situation in which the Dakota
17 zone had in the last three or four years been loading up with
18 fluid and we were getting very little production from it and
19 the Pictured Cliffs was still producing pretty well but based
20 upon the fact that the Dakota zone is producing as little as
21 it is and the cost of the workover to repair the hole in the
22 tubing, we felt that we would either have to get permission to
23 commingle the two zones or set a blanking plug down below the
24 hole in the Dakota zone and produce the Pictured Cliffs only.

25 Q What do you estimate to be the minimum cost of repair?

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 7

1 A. The minimum cost to repair was estimated to be about
2 seventeen thousand, six hundred dollars if no problems are
3 encountered and that is if we run a tubing patch. If the
4 tubing is sanded in like we have found many of the others, it
5 would probably add approximately six thousand dollars to this
6 particular amount. Based on this, we felt that the cost was
7 prohibitive to try to repair the Dakota tubing and try to
8 produce it, based upon the producing characteristics over
9 the last several years of the Dakota zone.

10 Q. If downhole commingling is not approved will you
11 have to abandon the Dakota?

12 A. Yes, sir.

13 Q. Please refer to Exhibit Number Five and identify it?

14 A. Exhibit Number Five is a graph that accompanied
15 the letter to the USGS and it is a graph of the Pictured Cliffs
16 zones and it is a plot of the bottom-hole pressure corrected
17 for compressibility versus cumulative gas production and this
18 is an engineering technique used to project what the ultimate
19 reserves for a well are and in this case we projected that
20 the ultimate reserves for the Pictured Cliffs zone would be
21 seven hundred and fifteen thousand. Just one moment. Seven
22 hundred and twenty thousand MCF.

23 Q. Okay. Exhibit Number Six, would you identify that,
24 please?

25 A. Exhibit Number Six is the same type of plot of the

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 8

1 Dakota zone and by projecting the pressure versus cumulative
2 we come up with a six hundred thousand MCF cumulative for the
3 Dakota zone.

4 Q Exhibit Number Seven is your table?

5 A Yes, Exhibit Number Seven is a table showing the
6 ultimate, what our cumulative was through the first of August
7 the remaining reserves and it does show the percent of the
8 remaining reserves based upon this technique.

9 Q Would you identify Exhibit Number Eight?

10 A Exhibit Number Eight is Form 9331 submitted to the
11 USGS on this well requesting permission to commingle and it is
12 approval by them subject to the approval by the New Mexico Oil
13 Conservation Commission.

14 Q Would you identify Exhibit Number Nine?

15 A Exhibit Number Nine is a letter and a plot of a
16 temperature survey taken on the subject well through the
17 tubing trying to determine where the hole in the tubing was
18 and based upon this technique of running a temperature survey
19 at a constant rate, it picks the tubing leak as somewhere
20 between thirty-six hundred and thirty-seven hundred feet.

21 Q Is the ownership the same for both zones of
22 production?

23 A Yes, it is.

24 Q Okay, and in your opinion are the reservoir
25 characteristics of the Pictured Cliffs and the Dakota zones

1 such that underground waste would not occur if the proposed
2 downhole commingling is approved?

3 A. In my opinion, yes.

4 Q In your opinion will the granting of this application
5 result in the recovery of additional gas from each of the
6 commingled zones that otherwise would not be recovered?

7 A. Yes.

8 Q In your opinion, Mr. Ellison, will approval of this
9 application be in the best interests of conservation, prevention
10 of waste and the protection of correlative rights?

11 A. Yes, sir.

12 Q Were Exhibits One through Nine prepared by you
13 directly or under your direction and supervision?

14 A. Yes, they were.

15 MR. KELLAHIN: We move the introduction of Exhibits
16 One through Nine.

17 MR. STAMETS: The Exhibits will be admitted.

18 (THEREUPON, Applicant's Exhibits One through
19 Nine were admitted into evidence.)

20 MR. STAMETS: Are there questions of the witness?

21

22 CROSS EXAMINATION

23 BY MR. STAMETS:

24 Q Mr. Ellison, your Dakota production problems, low
25 rate, could these result from the hole in the tubing rather

sid morrison reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 10

1 than a production decline?

2 A. Not from the standpoint that if this was -- the hole
3 in the tubing came in this last year and we are talking about
4 three or four years back that we have been having problems
5 with the Dakota production.

6 Q. What does the Dakota produce as far as liquids are
7 concerned?

8 A. It does produce a little bit of oil, I'm trying to
9 remember as far as the exact amount of oil, but it seems to
10 me that it was two or three barrels of oil per day when it does
11 produce and it does seem to load off and we've had problems
12 keeping it producing because of this loading problem.

13 Q. Is the Dakota prorated in this area?

14 A. I believe it is and in this particular case I think
15 this particular well has been rated as marginal. Just one
16 moment here. The classification of this particular Dakota
17 zone has been marginal and in the Pictured Cliffs it was
18 classed as marginal until May of this year or this past year,
19 1975, at which time it was put back into the non-marginal
20 status but it was under-produced at the end of this time by
21 about nine million.

22 Q. Both zones at this time are marginal?

23 A. Yes.

24 Q. You don't really propose to do any work, you are
25 just going to let the well continue to produce as is?

1 A That is correct.

2 MR. STAMETS: Any other questions of the witness?

3 He may be excused.

4 (THEREUPON, the witness was excused.)


5 MR. STAMETS: Anything further in this case? We will
6 take the case under advisement.

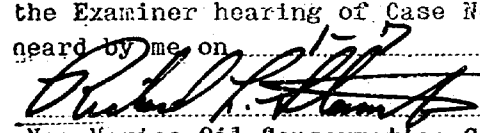
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5601,
heard by me on 1-27, 1976.
, Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5601
Order No. R-5145

APPLICATION OF CONSOLIDATED OIL & GAS,
INC. FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7,
1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1976, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Consolidated Oil & Gas, Inc., is
the owner and operator of the Tribal "C" Well No. 10, located
in Unit J of Section 7, Township 26 North, Range 3 West, NMPM,
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Tapacito-Pictured Cliffs and Basin-Dakota gas production within
the wellbore of the above-described well.

(4) That from the Tapacito-Pictured Cliffs zone, the
subject well is capable of low rates of production only.

(5) That from the Basin-Dakota zone, the subject well is
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 correla-
tive rights.

-2-

Case No. 5601
Order No. R-5145

(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 Commission 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 Commission 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, 40 percent of the commingled gas production should be allocated to the Tapacito-Pictured Cliffs zone, and 60 percent and 100 percent, respectively, of the commingled gas and oil production to the Basin-Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Tapacito-Pictured Cliffs and Basin-Dakota production within the wellbore of the Tribal "C" Well No. 10, located in Unit J of Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That 40 percent of the commingled gas production shall be allocated to the Tapacito-Pictured Cliffs zone and 60 percent and 100 percent, respectively, of the commingled gas and oil production shall be allocated to the Basin-Dakota zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

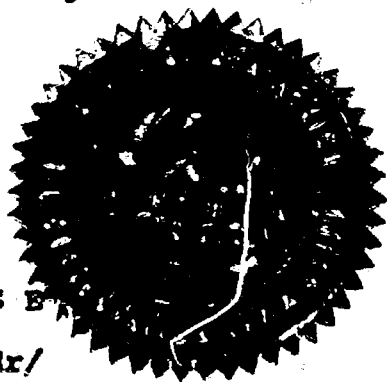
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E
dr/



R 3 W



SCALE: 1"=2000'



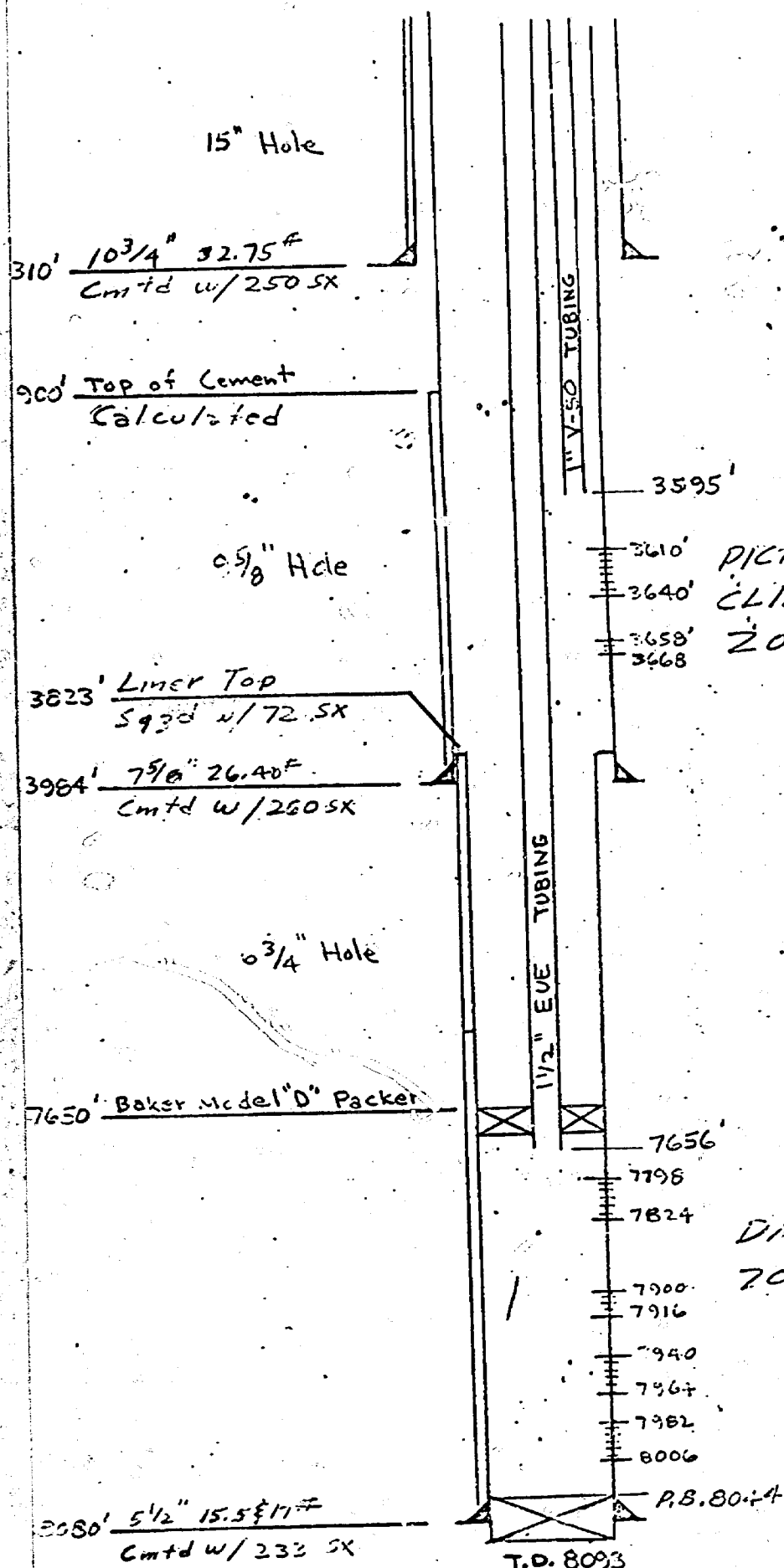
NEW MEXICO

COB EXHIBIT NO. 1

CASE NO. 5601

Submitted by Ellison

Hearing Date 7 Feb 76



Diagrammatic Sketch
to Accompany Application for
Dual Completion

CONSOLIDATED OIL & GAS, INC.
Tribal "C" No. 10-7

J - 7 - T26N - R3W
Rio Arriba County, New Mexico
October 26, 1962

PICTURED
CLIFFS
ZONE

DAKOTA
ZONE

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
606 EXHIBIT NO. 2
CASE NO. 6601
Submitted by Ellison
Hearing Date 7 Jan 76

THE APPLICATION OF CONSOLIDATED OIL &
GAS, INC. FOR A DUAL COMPLETION.

ORDER NO. MC-1250

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 112-A, Consolidated Oil & Gas, Inc. made application to the New Mexico Oil Conservation Commission on October 30, 1962, for permission to dually complete its Tribal "C" Well No. 10-7 located in Unit J of Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to produce gas from the Tapacito-Pictured Cliffs Pool and the Basin-Dakota Pool.

Now, on this 7th day of November, 1962, the Secretary-Director finds:

- (1) That application has been duly filed under the provisions of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That waivers of objection have been received from offset operators and the waiting period as prescribed by said rule may be dispensed with at this time.
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Consolidated Oil & Gas, Inc., be and the same is hereby authorized to dually complete its Tribal "C" Well No. 10-7 located in Unit J of Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to produce gas from the Tapacito-Pictured Cliffs Pool and the Basin-Dakota Pool through parallel strings of tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Basin-Dakota Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
A. L. Porter, Jr.
A. L. PORTER, Jr.,
Secretary-Director

SEAL

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
60 9	EXHIBIT NO. 3
CASE NO.	5601
Submitted by	Ellison
Hearing Date	7 Jan 76

BEFORE EXAMINER STAMPS	
OIL CONSERVATION COMMISSION	
606	EXHIBIT NO. 4
CASE NO. 5601	
Submitted by Ellison	
Hearing Date 7 Jan 76	

October 20, 1975

U. S. Department of the Interior
Geological Survey
Box 1809
Durango, Colorado 81301

Re: Request to Commingle
Pictured Cliff and Dakota Zones
Tribal C 10-7
Tapacito Pictured Cliff Field
Basin Dakota Field
SE/4 Sec. 7-T26N-R3W
Rio Arriba County, New Mexico

Gentlemen:

Consolidated Oil & Gas, Inc. is requesting permission to commingle the Pictured Cliff and Dakota Zones in the Tribal C 10-7 well and to allocate gas production 39.8% and 60.2% respectively, based on an evaluation of reserves remaining from August 1, 1975 to an abandonment pressure of 50 psig. All oil production would be credited to the Dakota.

Downhole communications of the Pictured Cliff and Dakota zones recently occurred caused by a hole in the Dakota production tubing opposite the Pictured Cliff perforations. Corrective action is, therefore, necessary either by repairing the hole in the tubing, setting a blanking plug in the Dakota tubing below the hole to block off production from the Dakota, or by obtaining permission to commingle the two zones and allocate production.

We anticipate the Dakota tubing to be sanded in above the permanent packer with frac sand based upon our experience with similarly completed wells in the area. Repair of the hole will require moving in a workover unit, killing both zones, freepointing and cutting off the tubing above the sand, electronically inspecting the tubing for additional potential holes, running a tubing patch and/or washing over and recovering the tubing stub, and returning the well to production as a dual producer. The estimated cost to repair

U. S. Geological Survey
October 20, 1975
Page 2

the situation by running a tubing patch is \$17,600 if no problems are encountered, whereas, correcting the problem by washing over and recovering the tubing stub would add an estimated \$6,000 to the cost - again assuming no problems are encountered. As the Dakota zone has not produced much gas since 1971 due to problems with the Dakota tubing loading up with fluid (4902 Mcf - 1972, zero - 1973, 3526 Mcf - 1974, and 7841 Mcf for 7 months of 1975), it is extremely doubtful that Consolidated would choose to repair the hole in the tubing if commingling is not approved. With little to no chance of a payout from a zone which would load up and produce little gas, we would, instead, set a blanking plug in the Dakota tubing below the hole to effectively isolate the two zones as required by law and produce as a single zone Pictured Cliff well.

The E/2 of Sec. 7-T26N-R3W is covered by one base lease from the Jicarilla Apache Tribe. Since the working interest owners in the Pictured Cliff and Dakota zones are the same and the royalty interest is the same, both royalty and working interests are protected no matter how the production is divided. Thus, from a practical standpoint, the only valid reason for division of production is to properly allocate the production to both zones for bookkeeping purposes. This allocation, we feel, can be done in the following manner.

When production decline curves can not be used with any degree of accuracy due to allowables, changing line pressure, etc., disrupting production performance -- as is the case for the Tribal C 10-7 well, one of the more acceptable engineering methods to determine gas reserves is to plot a well's static bottomhole pressure, corrected for compressibility, against the well's cumulative production. Plotting of these points should result in a straight line on coordinate paper if the reservoir is allowed to build to its absolute static condition and the proper compressibility (Z) factor is used. This we have done for both the Pictured Cliff and Dakota zones in the Tribal C 10-7 using the yearly wellhead shut-in pressures reported to the New Mexico Oil Conservation Commission corrected for compressibility to bottomhole conditions with the aid of a Garrett Computing Systems program. As Graphs I and II demonstrate, a good straight line fit can be made to both the Pictured Cliff points and the Dakota points when certain explainable anomalous points are excluded. Using the line fits shown on Graphs I and II and projecting to an abandonment economic limit of 50 psig, the projected ultimate production for the Pictured Cliff is 720,000 Mcf and the projected ultimate production

U. S. Geological Survey
October 20, 1975
Page 3

for the Dakota is 600,000 Mcf. Based on these projections, the remaining reserves from August 1, 1975 for the Pictured Cliff are 149,128 Mcf and 225,145 Mcf for the Dakota, or 39.8% and 60.2%, respectively, of the total remaining reserves (See attached Table I.)

Although the allocation percentages from the graphs may appear to be giving the Dakota zone more than its fair share based on recent production history, we feel the percentage may be a reasonable indication of how the well will produce when commingled. Until fluid began loading off the Dakota zone in 1971, both zones had similar cumulatives and deliverabilities. By commingling the well and producing both zones up the tubing, the additional Pictured Cliff gas will increase the producing GOR similar to gas lifting and keep the fluid unloaded off the Dakota. This should allow the Dakota to produce at a higher rate than the Pictured Cliff as it attempts to make up for low production over the last four years. The increased producing capability of the well from commingling is illustrated by the eight-day average 6/9-16/75 when the Pictured Cliff produced 150 Mcf per day against 171# line pressure, whereas after communications occurred, an eight-day average 8/9-16/75 showed 175 Mcf per day up the tubing, keeping the Dakota unloaded, against a 192# line pressure. The production rate difference would have been considerably more had the line pressures been the same.

We feel commingling is in the best interest of everyone concerned since the common royalty and working interest ownership protects everyone concerned and gas and oil from the Dakota, which would otherwise be left unrecovered, can be produced with help from the Pictured Cliff. We, therefore, request approval to commingle production from the Pictured Cliff and Dakota zones in the Tribal C 10-7 and allocate 39.8% of the gas production to the Pictured Cliff zone and 60.2% of the gas and all oil production to the Dakota zone.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

Floyd E. Ellison, Jr.
Area Production Manager

FEE:lt
Attachments

BHP/Z
PSIA

BEFORE EXAMINED STAMETS
OIL CONSERVATION COMMISSION

CASE NO. 5601

Submitted by *Ellison*

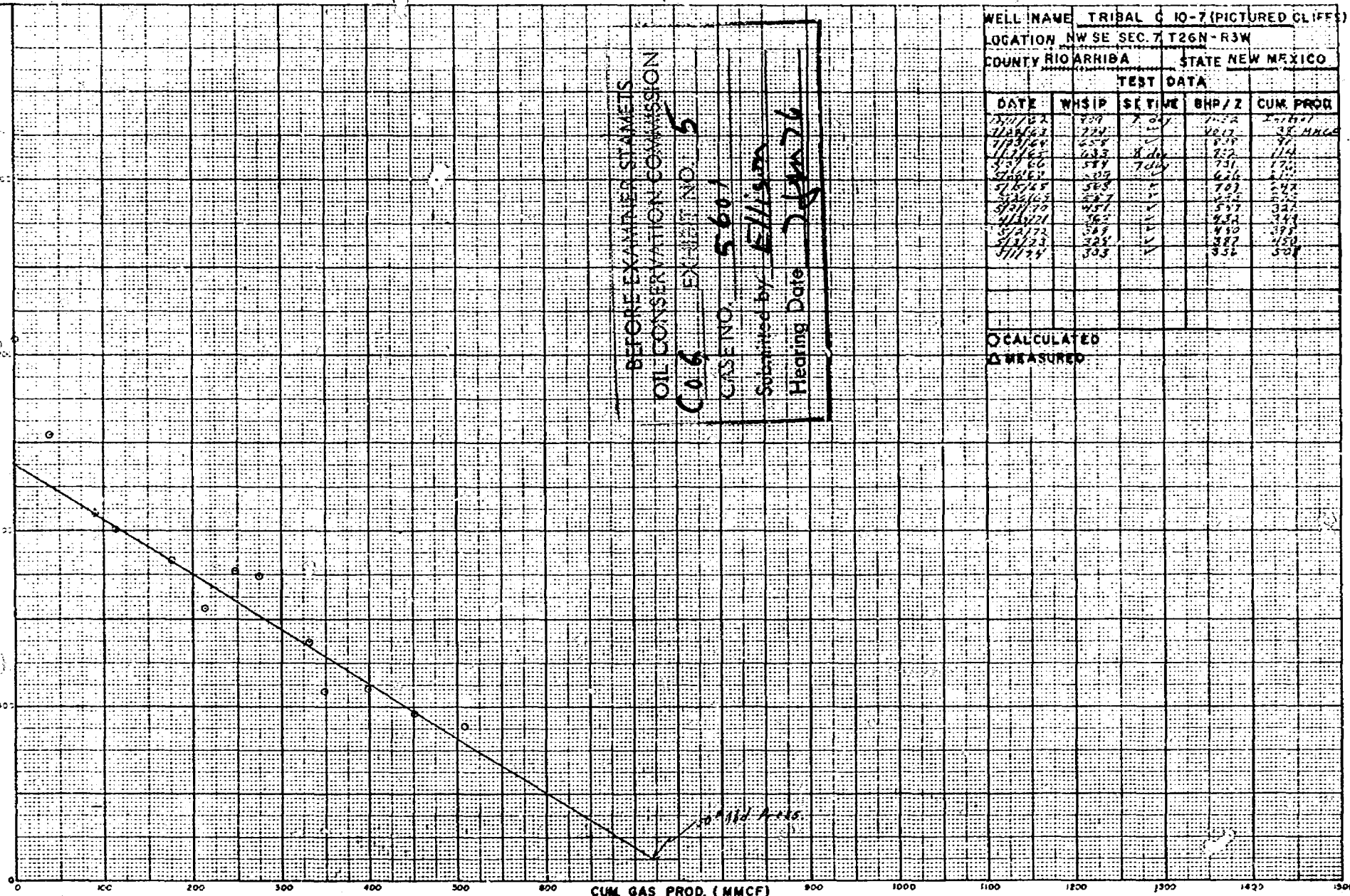
Hearing Date *7/24/76*

WELL NAME TRIBAL C 10-7 (PICTURED CLIFFS)
LOCATION NW SE SEC. 7 T26N-R3W
COUNTY RIO ARriba STATE NEW MEXICO

TEST DATA

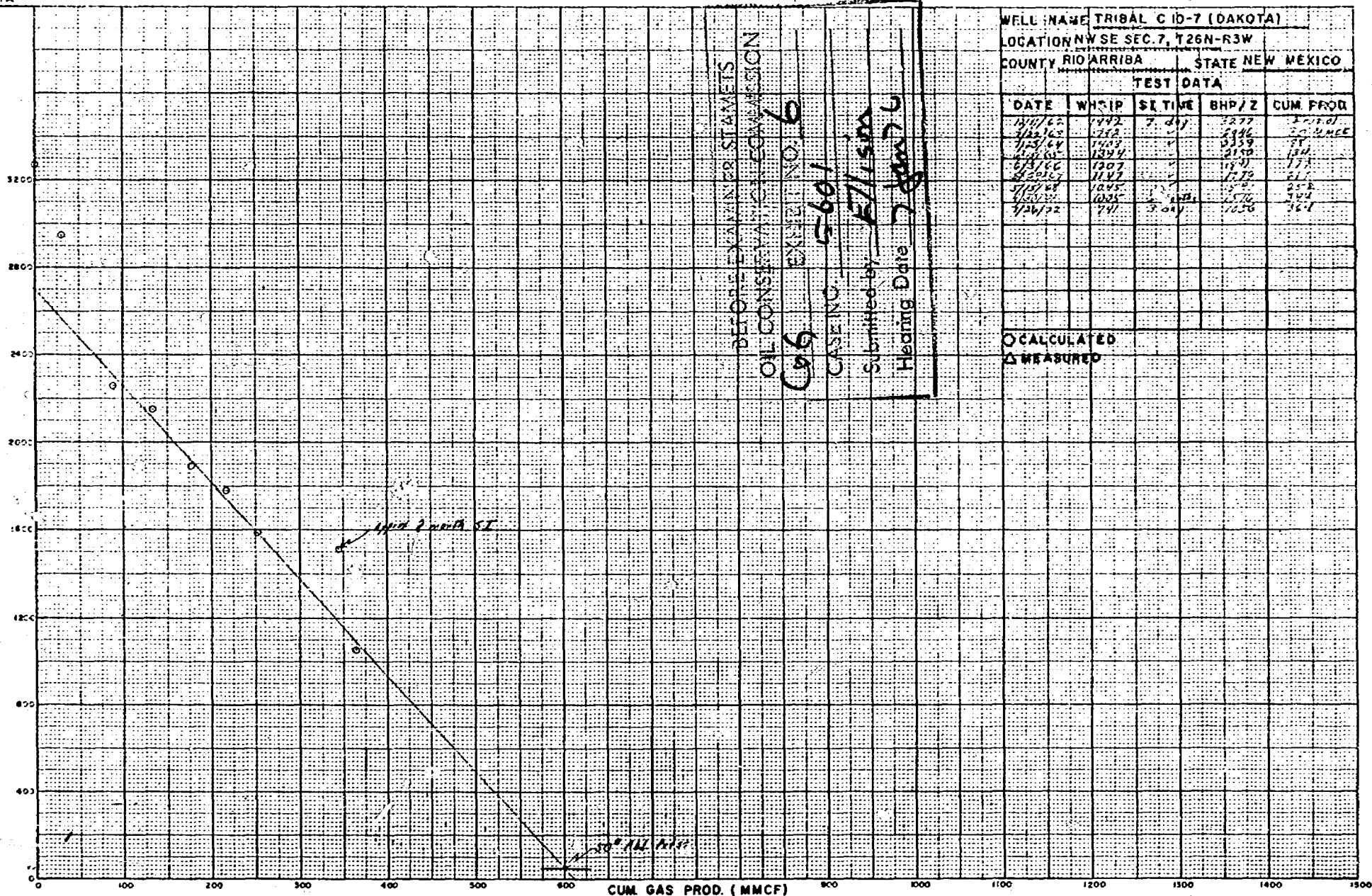
DATE	WHP	SE TIME	BHP/Z	CUM PROD
1/11/62	739	7.34	1.12	1.11
1/28/62	724	✓	1.12	28.44
1/29/62	658	✓	1.12	37
1/29/62	632	8.40	1.12	114
5/3/66	589	7.00	1.12	170
5/26/67	589	✓	1.12	210
5/26/67	587	✓	1.12	242
8/26/70	487	✓	1.12	322
11/12/71	362	✓	1.12	344
1/11/72	349	✓	1.12	398
1/11/72	325	✓	1.12	450
1/11/72	303	✓	1.12	508

○ CALCULATED
△ MEASURED



Graph I

BHP/Z
PSIA



Graph II

TABLE I

TRIBAL C 10-7

Remaining Gas Reserves to 50# Abandonment Pressure
as of August 1, 1975

	<u>Pictured Cliff</u>	<u>Dakota</u>	<u>Total</u>
Ultimate	720,000	600,000	
Cum. 8/1/75	<u>570,872</u>	<u>374,855</u>	
Remaining Reserves	149,128	225,145	374,273
% Remaining Reserves	39.8%	60.2%	

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
906 EXHIBIT NO. 7
CASE NO. 5601
Submitted by Ellison
Hearing Date 7/2/76

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPlicate
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-10124.

6. LEASE DESIGNATION AND SERIAL NO.

Contract 97

9. IF INDIAN, ALLOTTEE OR TRIBE NAME

Jicarilla Apache

7. UNIT AGREEMENT NO.

8. FARM OR LEASE NAME

Tribal C

9. WELL NO.

10-7

10. FIELD AND POOL, OR WILDCAT

Tapacito PC & Basin Dakota

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 7-T26N-R3W

12. COUNTY OR PARISH

Rio Arriba

13. STATE

New Mexico

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR

1860 Lincoln Street, Denver, Colorado 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface

1750' FSL & 1450' FEL Section 7-T26N-R3W

14. PERMIT NO.

15. ELEVATIONS (Show whether FT., RT., GR., etc.)

6905 KB

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

Commingle

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Consolidated Oil & Gas, Inc. requests permission to commingle production from the Pictured Cliff and Dakota formations in subject well. Royalty and working interest owners are the same in both zones. Allocation of gas production would be 39.8% to the Pictured Cliff and 60.2% to the Dakota based on an engineering estimate of remaining reserves from August 1, 1975 to an abandonment pressure of 50 psig determined by plotting BHP/Z vs. cumulative gas. All produced oil would be credited to the Dakota since the Pictured Cliff has not produced any oil in the past.

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

609 EXHIBIT NO. 8

CASE NO. 5601

Submitted by Ellison

Hearing Date 7 Jan 76

RECEIVED

OCT 28 1975

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

18. I hereby certify that the foregoing is true and correct

SIGNED

Thayer E. Ellison

TITLE Area Production Manager

DATE Oct. 21, 1975

(This space for Federal or State office use)

APPROVED BY APPROVED
CONDITIONS OF APPROVAL

OCT 20 1975

JERRY W. LONG
DISTRICT ENGINEER

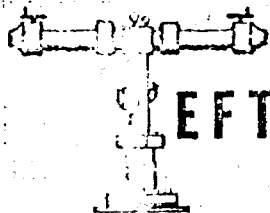
TITLE

DATE

APPROVED SUBJECT TO
NEW MEXICO OIL CONS. COMM. APPROVAL
*See Instructions on Reverse Side

CPR.

Quincy



BHP • BU • PI • DD • GWT • RPS • GGE • FL • TS

TEFTELLER, INC.

reservoir engineering data

MIDLAND, TEXAS / FARMINGTON, NEW MEXICO

P. O. Box 5247

Midland, Texas 79701

September 25, 1975

Consolidated Oil & Gas Co.
P. O. Box 2038
Farmington, New Mexico 87401

Attention: Mr. Leo Case

Subject: Temperature Survey
Tribal C-10 No. 7
Basin Dakota Field
Rio Arriba County, New Mexico
Our File No. 2-6506-T

Gentlemen:

Attached hereto are the results of a temperature survey which was run to locate hole in the tubing September 15, 1975.

The data presented are in graphical form.

It has been our pleasure to have conducted this service for you. If we may be of further assistance, please call us at any time.

Respectfully submitted,

TEFTELLER, INC.

Neil Tefteller

Neil Tefteller

NT/jw

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Co 6 EXHIBIT NO. 9
CASE NO. 5601
Submitted by Ellison
Hearing Date 7 Jan 76

Serving the Permian Basin & Rocky Mountain Area



EFTELLER, INC.

reservoir engineering data
MIDLAND, TEXAS

Page 1 of 1
File 2-6506-T

TEMPERATURE SURVEY LOG

DEPTH

500

1000

1500

2000

2500

3000

3500

4000

4500

COMPANY CONSOLIDATED OIL & GAS CO.
LEASE TRIBAL C-10 WELL NO. 7
FIELD BASIN DAKOTA
COUNTY RIO ARriba STATE NEW MEXICO

CASING SIZE _____ SET @ _____
HOLE SIZE _____ TO _____
CEMENT _____

PLUG DOWN _____ TIME _____
SURVEY RUN 9-15-75 TIME _____

TOP OF CEMENT _____

TOTAL DEPTH RECORDED _____

RECORDED BY _____

REMARKS Tubing leak between
3600' & 3700'

TEMPERATURE IN DEGREES FAHRENHEIT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5601

Order No. R- 5145

APPLICATION OF CONSOLIDATED OIL & GAS, INC.
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7,
19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of January, 1976, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Consolidated Oil & Gas, Inc., is the
owner and operator of the Tribal "C" Well No. 10, located
in Unit J of Section 7, Township 26 North, Range
3 West, NMPM. Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Tapacito-Pictured Cliffs and Basin-Dakota gas production
within the wellbore of the above-described well.

(4) That from the Tapacito-Pictured Cliffs zone, the
subject well is capable of low ~~marginal~~ ^{revised} production only.

(5) That from the Basin-Dakota zone, the
subject well is 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.

-2-

Case No. _____
Order No. R- _____

(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 Commission 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 Commission 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, 40 percent of the commingled gas production should be allocated to the Tapacito-Pictured Cliffs zone, and 60 percent ^{and 100 percent, respectively,} percent of the commingled gas and oil ^{production, respectively,} production to the Basin-Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Tapacito-Pictured Cliffs and Basin-Dakota production within the wellbore of the Tribal "C" Well No. 106, located in Unit J of Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That 40 percent of the commingled gas production shall be allocated to the Tapacito-Pictured Cliffs zone and 60 percent ^{and 100 percent, respectively,} percent of the commingled gas and oil ^{production, respectively,} production shall be allocated to the Basin-Dakota zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

Docket No. 1-76

Dockets Nos. 2-76 and 3-76 are tentatively set for hearing on January 14 and January 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stavets, Examiner or Daniel S. Nutter, Alternate Examiner:

- CASE 5600:** Application of Chaplin Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing.
- CASE 5601:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tapacito-Pictured Cliffs and Basin-Dakota gas production in the wellbore of its Tribal "C" Well No. 10-7, located in Unit J of Section 7, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5602:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland gas production in the wellbore of its Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L of Section 31, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 5603:** Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit; applicant further seeks the pooling of all mineral interests in the Langlie-Matrix Pool underlying each of the following tracts in said Section 35 to form three standard 40-acre proration units: the NE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 1, located 330 feet from the North line and 2310 feet from the West line of said Section 35; the SE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 3, located 1980 feet from the North and West lines of said Section 35; and the SW/4 NW/4, to be dedicated to a well to be drilled on said tract at a standard Langlie Matrix Pool location. In the event re-entry into either the Dabbs Well No. 1 or No. 3 is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tract. Applicant further proposes to dedicate the 160-acre Jalmat proration unit to one of the three above-described wells, and in the event it should be the Dabbs Well No. 1, applicant seeks approval for the unorthodox Jalmat location for said well. Also to be considered will be the cost of re-entering, drilling, and completing said wells and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the wells and a charge for the risk involved in re-entering, drilling, and completing said wells.
- CASE 5604:** Application of Burleson & Huff for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Querecho Plains-Queen Pool by the injection of water into the Queen formation through its Anadarko Federal Well No. 6 to be drilled at an unorthodox location in the approximate center of the SW/4 of Section 27, Township 18 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

Examiner hearing - Wednesday - January 7, 1976

Docket No. 1-76
-2-

- CASE 5605:** Application of Saguaro Oil Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Table Mesa-Dakota Oil Pool, San Juan County, New Mexico, including a provision for 2 1/2-acre spacing.
- CASE 5606:** Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tubb and Drinkard production in the wellbore of its Brunson B Well No. 3, located in Unit M of Section 3, Township 22 South, Range 27 East, Lea County, New Mexico.
- CASE 5607:** Application of Black River Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Canyon formation well at an unorthodox location 280 feet from the South line and 150 feet from the West line of Section 33, Township 25 South, Range 24 East, Eddy County, New Mexico.
- CASE 5608:** Application of Northern Natural Gas Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Magruder Hill Unit Area comprising 2,258 acres, more or less, of Federal, State, and fee lands in Township 22 South, Range 25 and 26 East, Eddy County, New Mexico.
- CASE 5609:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellor "EO" Well to be drilled at a point 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North and West lines of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the N/2 of said Section 30 to be dedicated to the well.
- CASE 5610:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caskey "EV" Well to be drilled at a point 660 feet from the South line and 1400 feet from the West line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.
- CASE 5611:** Application of David C. Collier for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Welch State No. 7 Well located 1330 feet from the South and West lines of Section 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, said well having formerly been a water injection well.
- CASE 5612:** Application of Dalport Oil Corporation for exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to the provisions of Commission Order No. R-3221 permission to dispose of produced salt water from its State C Wells Nos. 1, 2, and 3, located in Units D, E, and L, respectively, of Section 16, Township 15 South, Range 30 East, Double L Queen Associated Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit E of said Section 16.
- CASE 5596:** (Reopened & Readvertised)
Application of Burk Royalty Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Queen formation underlying the following-described lands, Double L-Queen Pool, Chaves County, New Mexico:

Case 5601

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

December 12, 1975

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. Bill Carr

Re: Consolidated Oil and Gas

Dear Bill:

Please find enclosed for hearing on January 7, 1975 an application by Consolidated Oil and Gas for downhole commingling of production in its Tribal C 10-7 well in Section 7, T26N, R3W, N.M.P.M., Rio Arriba County, New Mexico.

Very truly yours,


W. Thomas Kellahin

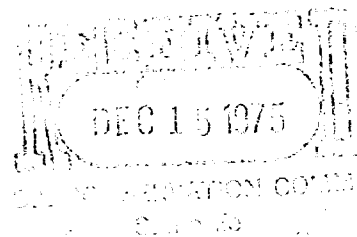
CC: Mr. Floyd Ellison

WTK:kjf

Enclosure

DOCKET MAILED

Date 12/29/75



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONSOLIDATED OIL AND GAS, INC.
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES now Consolidated Oil and Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for approval of downhole commingling of production in its Tribal C 10-7 well, Tapacito-Pictured Cliffs Gas Pool, and the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico, and in support thereof would show the Commission:

- Unit
J*
1. The Tribal C-10-7 well is located in the SE/4 of Section 7, Township 26 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
 2. The Tribal C 10-7 well is completed as a dual completion, producing Dakota gas from the Basin-Dakota Gas Pool and the Pictured-Cliffs gas from the Tapacito-Pictured Cliffs Gas Pool.
 3. Subsequent to completion of the well, a hole developed in the tubing through which the Dakota gas was being produced.
 4. That both zones of production are capable of marginal production only.
 5. Approval of the application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste, and will not cause any damage to either of the producing formations. Correlative rights including those of offset operators will not be impaired.

Case 5601

WHEREFORE, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order approving commingling as prayed for.

Respectfully submitted,

CONSOLIDATED OIL AND GAS, INC.

By


KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONSOLIDATED OIL AND GAS, INC.
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES now Consolidated Oil and Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for approval of downhole commingling of production in its Tribal C 10-7 well, Tapacito-Pictured Cliffs Gas Pool, and the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico, and in support thereof would show the Commission:

1. The Tribal C-10-7 well is located in the SE/4 of Section 7, Township 26 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
2. The Tribal C 10-7 well is completed as a dual completion, producing Dakota gas from the Basin-Dakota Gas Pool and the Pictured-Cliffs gas from the Tapacito-Pictured Cliffs Gas Pool.
3. Subsequent to completion of the well, a hole developed in the tubing through which the Dakota gas was being produced.
4. That both zones of production are capable of marginal production only.
5. Approval of the application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste, and will not cause any damage to either of the producing formations. Correlative rights including those of offset operators will not be impaired.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order approving commingling as prayed for.

Respectfully submitted,

CONSOLIDATED OIL AND GAS INC.

By W. THOMAS KELLAHIN

KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONSOLIDATED OIL AND GAS, INC.
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES now Consolidated Oil and Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for approval of downhole commingling of production in its Tribal C 10-7 well, Tapacito-Pictured Cliffs Gas Pool, and the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico, and in support thereof would show the Commission:

1. The Tribal C-10-7 well is located in the SE/4 of Section 7, Township 26 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.
2. The Tribal C 10-7 well is completed as a dual completion, producing Dakota gas from the Basin-Dakota Gas Pool and the Pictured-Cliffs gas from the Tapacito-Pictured Cliffs Gas Pool.
3. Subsequent to completion of the well, a hole developed in the tubing through which the Dakota gas was being produced.
4. That both zones of production are capable of marginal production only.
5. Approval of the application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste, and will not cause any damage to either of the producing formations. Correlative rights including those of offset operators will not be impaired.

Case 5601

WHEREFORE, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order approving commingling as prayed for.

Respectfully submitted,
CONSOLIDATED OIL AND GAS, INC.

W. THOMAS KELLAHIN
By _____
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

Application of Consolidated Oil and Gas for
downhole commingling, Rio Arriba County, New
Mexico. Applicant in the above styled cause,
seeks authority approval to commingle Pictured Cliffs
and Dakota gas production in the wellbore
of its Tribal "C" Well No. ~~10-7~~ 10-7, located
in the ~~Unit~~ Unit _____, Section 7, Township 26
North, Range 3 West, Rio Arriba County, New Mexico.

Tom Kullakin

12/26

660 FSL + 1400 FWL

$\frac{5}{2}$

3 - 17 - 25

Manow Test

Caskey E

