



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

September 26, 2000

**Lori Wrotenbery**

Director

Oil Conservation Division

Marathon Oil Company  
P.O. Box 552  
Midland, Texas 79702-0552

Attention: Mr. Jerry Fletcher

Re: Division Administrative Orders No.  
DHC-2786 & DHC-2787

Dear Mr. Fletcher:

Division Orders No. DHC-2786 and DHC-2787, both dated August 7, 2000, approved the downhole commingling of Basin-Dakota, Blanco-Mesaverde and Otero-Chacra Gas Pool production within the Marathon Jicarilla Apache No. 12 (**API No. 30-039-20002**) located in Unit A of Section 33, Township 26 North, Range 5 West, and the Marathon Jicarilla Apache No. 16 (**API No. 30-039-20529**) located in Unit I of Section 34, Township 26 North, Range 5 West, NMPM, respectively, both in Rio Arriba County, New Mexico. It has been brought to my attention that these wells were previously approved to downhole commingle Basin-Dakota and Blanco-Mesaverde Pool production by Division Orders No. DHC-1182 dated January 4, 1996, and DHC-1223 dated April 12, 1996.

The Form C-107-A's for these wells dated June 22, 2000, state that:

"If this application is not approved, then the well will remain as a dual producer for the Mesa Verde and Basin Dakota pools"

Again, there appears to be inconsistency and confusion in your applications.

## Issue No. 1

Your application failed to notify the Division that there are existing downhole commingling orders for these wells. Generally, adding a zone to an already downhole commingled wellbore involves amending the previous orders, not issuing a duplicate order.

Issue No. 2

Are these wells downhole commingled in the Basin-Dakota and Blanco-Mesaverde Gas Pools as authorized by Orders No. DHC-1182 and DHC-1223, or are these wells dually completed as stated in your June 22, 2000 application?

Additional clarification on these issues is requested. If a satisfactory clarification is not submitted, your applications will be set for hearing before a Division examiner.

In addition, in view of the fact that there are existing downhole commingling orders for these wells, Division Orders No. DHC-2786 and DHC-2787 are hereby **cancelled**.

If a reasonable clarification is submitted, the Division will allow the addition of the Otero-Chacra Gas Pool as a third commingled zone in the wells by **amending** Division Orders No. DHC-1182 and DHC-1223.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,



David Catanach  
Engineer/examiner

Xc: OCD-Aztec  
Bureau of Land Management-Farmington  
Files-DHC-1182, DHC-1223, DHC-2786, DHC-2787