

BEFORE THE
OIL CONSERVATION DIVISION

Sec 12
Standard 64 b
over

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF RICHARDSON OPERATING COMPANY
FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11106

APPLICATION

RICHARDSON OPERATING COMPANY ("Richardson"), by its undersigned attorneys, makes application to the New Mexico Oil Conservation Division for approval for downhole commingling of production from the Fruitland and Pictured Cliffs formations, in San Juan County, New Mexico, and in support thereof states:

1. Applicant operates the E/2 of Section 12, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.
2. Applicant seeks approval for downhole commingling of production from the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, West Kutz-Pictured Cliffs Gas Pool, in the wellbore of its proposed Ropco Federal 12-2 Well to be drilled at a standard location for both pools in the SE/4 NE/4 of said Section 12. The E/2 of said Section 5 will be dedicated to the well in the Fruitland formation and the NE/4 in the Pictured Cliffs formation.
3. The proposed well is located in a densely populated area and may be drilled only if the surface facilities are located off-site.

4. The pressure of the Pictured Cliffs formation is required to lift the liquids from the Fruitland Coal formation and commingling production from these formations will enable Richardson to efficiently and effectively produce both pools.

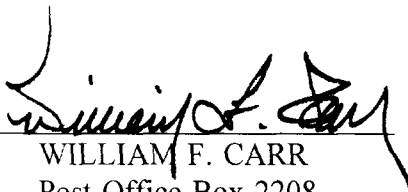
5. Granting this application will result in the increased recovery of hydrocarbons and will not damage the subject formations.

6. Granting this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Richardson Operating Company requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 29, 1994, and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

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& SHERIDAN, P.A.

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