



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

March 17, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: L. P. Thompson

Re: Case 5958,
Order No. R-5559

Dear Mr. Thompson:

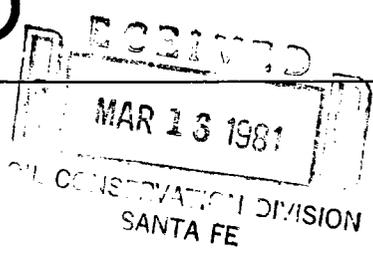
Based upon evidence submitted with your letter of March 9, 1981, Conoco Inc. may allocate 100 percent of the commingled liquids production to the Gonzales-Mesaverde zone in its AXI Apache "J" Wells Nos. 18, 20, and 21, Rio Arriba County, New Mexico.

Yours very truly,

JOE D. RAMEY
Director

JDR/RLS/fd

cc: Frank Chavez



L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

March 9, 1981

New Mexico Oil Conservation Division
Department of Energy and Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Dick Stamets

Gentlemen:

Downhole Commingling Order No. R-5559 - AXI Apache "J"
Wells No. 18, 20 and 21 - Rio Arriba County, New Mexico

Conoco Inc. received approval to downhole commingle the Gonzales-Mesaverde and Otero-Chacra within the wellbores of the above-described wells by Order No. R-5559 dated November 1, 1977. That order specified the allocation method for each well, but did not specify whether as to oil, gas, or both.

Since the Otero-Chacra zone in any of the three wells had never produced condensate in measurable quantities, it was assumed by this office that such allocation would continue to be zero, and all condensate has been allocated to the Gonzales-Mesaverde since commingling.

Attached is a tabulation of several month's production for each zone before commingling was effected. It is respectfully requested that the subject order be supplemented to reflect the allocation of condensate to be 0% to the Otero-Chacra and 100% to the Gonzales-Mesaverde. This allocation is consistent with the production from other wells in these two pools.

Very truly yours,

HAI:rej
Enc

		<u>Otero-Chacra</u>		<u>Gonzales-Mesaverde</u>	
		<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>
Apache J No. 18	June 1977	0	2039	27	5288
	July 1977	0	1764	45	4950
	Aug. 1977	0	2031	36	5414
	Sep. 1977	0	1704	28	4518
	Oct. 1977	0	2144	42	5492
	Nov. 1977	0	1968	32	4865
Apache J No. 20	June 1977	0	2740	34	7290
	July 1977	0	2349	19	6622
	Aug. 1977	0	2490	31	7353
	Sep. 1977	0	2317	13	6098
	Oct. 1977	0	3320	44	7219
	Nov. 1977	0	3428	30	7089
Apache J No. 21	June 1977	0	3240	40	7971
	July 1977	0	2977	23	6555
	Aug. 1977	0	3251	48	7587
	Sep. 1977	0	1857	5	6399
	Oct. 1977	0	4025	72	8041
	Nov. 1977	0	3231	24	7830