

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF BRECK OPERATING CORPORATION FOR
SURFACE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

FEB - 8 1994

CASE NO. 10928

APPLICATION

BRECK OPERATING CORPORATION, through its undersigned attorneys, makes application for an order authorizing the surface commingling of natural gas produced from the Basin Fruitland Coal Gas Pool and the Fulcher Kutz Pictured Cliffs Gas Pool and in support of its application states:

1. Breck Operating Corporation is the operator and a mineral interest owner in its Kutz Government No. 7 Well which is located 790 feet from the South line and 1650 feet from the West line (Unit N) of Section 3, Township 27 North, Range 10 West, which is completed in and produces natural gas from the Basin Fruitland Coal Gas Pool (W/2 dedication) and also operates and is a mineral interest owner in its Kutz Government No. 7J Well located 1840 feet from the South line and 1050 feet from the West line of said Section 3 which is completed in and produces natural gas from the Fulcher Kutz Gas Pool (SW/4 dedication).

2. The percentage ownership of the production from these wells in the Fruitland and Pictured Cliffs formations is different.

3. Breck Operating Corporation seeks an exception to the provisions of Division Rule 303 to permit the surface commingling of natural gas produced from the Basin Fruitland Coal Gas Pool in its Kutz Government No. 7 Well and natural gas produced from the Fulcher Kutz Pictured Cliffs Gas Pool in its Kutz Government No. 7J Well.

4. Breck Operating Corporation also states:

- a. the facilities to be utilized for commingling are commonly owned;
- b. all production will be accurately measured or determined prior to commingling;
- c. no problems with the compatibility of any fluids will result from commingling; and
- d. the commercial value of the commingled production will exceed the value of the production from each source of supply.

5. Approval of this application will result in the increased recovery of hydrocarbons, thereby preventing waste, and is otherwise in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Breck Operating Corporation requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 3, 1994, and, after notice and hearing as required by law, the Division enter its order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: David B. Lawson (for William
WILLIAM F. CARR F. Carr)
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR BRECK
OPERATING CORPORATION

CASE _____:

10/15/91

Application of Breck Operating Corporation for surface commingling, San Juan County, New Mexico. Applicant in the above-styled cause, seeks an exception to Division General Rule 303A for the surface commingling of production from the Basin-Fruitland Coal Gas Pool in its Kutz Government No. 7 Well located 790 feet from the South line and 1650 feet from the West line (Unit N) of Section 3, Township 27 North, Range 10 West, and production from the Fulcher Kutz Gas Pool in its Kutz Government No. 7J Well located 1840 feet from the South line and 1050 feet from the West line (Unit L) of said Section 3 which is located approximately _____ miles _____ of _____, New Mexico.

FEB - 6 1991