



Midland Division  
Exploration Production

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

September 21, 1994

Mr. Jim Morrow  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504

**RE: Examiner Hearing Case No. 11030  
To Downhole Commingle State Com R No. 14  
Pictured Cliffs and Mesaverde Production Curves  
Exhibits 6-A and 6-B**

Dear Mr. Morrow:

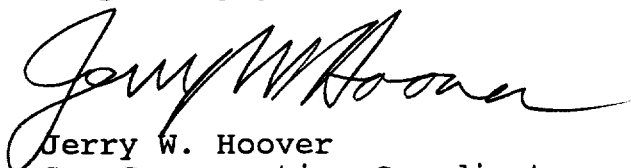
The condensate shown on these two production curves for the years 1992 and 1993 are incorrect. These two years of condensate production as shown on the Pictured Cliffs curve should have been recorded on the Mesaverde curve.

In preparing these production curves for the hearing, it was discovered that in Dwights database, all of the production data for the Pictured Cliffs and the Mesaverde production in this well had been mistakenly reversed for these two years only and recorded for the wrong pools. The gas production for each zone was manually changed in our production files before plotting these curves. You will note the consistency of these two gas curves now that the data for these two years have been properly swapped.

However, the required data swap for the condensate production was not made in our files prior to plotting these curves. You will note that there is no condensate production for the Pictured Cliffs zone for any year prior to 1992. Also note that if you transpose these two years of condensate rates to the Mesaverde plot, it resembles very closely the pattern of condensate production for the 1989 and 1990 years already recorded on the Mesaverde curve.

So, it was a simple plotting error and all future condensate production for this well should still be allocated to the Mesaverde.

Very truly yours,



Jerry W. Hoover  
Sr. Conservation Coordinator

RECEIVED

SEP 22 '94

O. C. D.

Santa Fe AREA OFFICE  
JHM





RAY POWELL, M.S., D.V.M.  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

June 28, 1994

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, Texas 79705-4500

*Case 11030*

Attn: Mr. Jerry Hoover

Re: Downhole Commingling Application  
State Com R Well No. 14  
Unit M 36-30N-9W  
San Juan County, New Mexico

Dear Mr. Hoover:

Your application to downhole commingle the production from within the wellbore of the above captioned well was received on June 20, 1994. Your application requests our approval to downhole commingle the Blanco Mesaverde Pool production with the Blanco Pictured Cliffs production within the wellbore of the State Com R Well No. 14, located in Unit letter M, Section 36-30N-9W.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of Thirty (\$30.00) Dollars has been received.

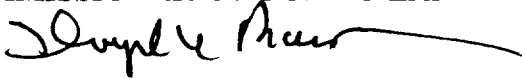


Conoco Inc.  
June 28, 1994  
Page 2

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744

RP/FOP/pm

encls.

cc: Reader File  
OCD-Santa Fe Attn: Mr. David Catanach, Ben Stone  
B-11479-54





State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

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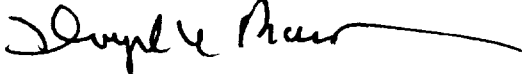


Conoco Inc.  
June 28, 1994  
Page 2

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RP/FOP/pm

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OCD-Santa Fe Attn: Mr. David Catanach, Ben Stone  
B-11479-54



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

06/28/94 10:16:48  
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| E<br>40.00<br><br>Fee owned | F<br>40.00<br>CS<br>E05315 2 06/61<br>CONOCO INC<br><br>A A | G<br>40.00<br>CS<br>E02662 2 05/59<br>SOUTHLAND ROYALTY<br><br>A | H<br>40.00<br>CS<br>E02662 2 05/59<br>SOUTHLAND ROYALTY       |

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12



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OG5SECT

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| M<br>40.00<br>CS<br>B11479 54 09/54<br>CONOCO INC<br><br>A | N<br>40.00<br>CS<br>B11479 52 09/54<br>CONOCO INC<br><br>A | O<br>40.00<br>CS<br>B11479 53 09/54<br>CONOCO INC<br><br>A | P<br>40.00<br>CS<br>E01641 8 12/57<br>AMOCO PROD CO & C |

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| PF07 BKWD | PF08 FWD | PF09 PRINT | PF10 SDIV | PF11 | PF12 |



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

*WAF*  
*9/29*

*RC 9/27*

CASE NO. 11030  
ORDER NO. R-10203

**APPLICATION OF CONOCO, INC. FOR DOWNHOLE COMMINGLING, SAN JUAN  
COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 1, 1994 at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this \_\_\_\_\_ day of September, 1994 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Case Nos. 11028, 11029, 11030, 11031, 11032, 11033, 11035 and 11036 were consolidated for the purpose of presenting testimony at the hearing.

(3) In Case No. 11030, the applicant, Conoco, Inc. (Conoco), seeks approval for the downhole commingling of production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com R Well No. 14, located 940 feet from the South line and 990 feet from the West line (Unit M) of Section 36, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico.

(4) The SW/4 of said Section 36 (160 acres) is dedicated to the Blanco-Pictured Cliffs completion and the S/2 of Section 36 (320 acres) is dedicated to the Blanco Mesaverde completion. Excluding overriding royalty interests, the same working interests and royalty interests share ownership in both completions but the division of ownership among the owners is different for the two completions. There are overriding royalty interests in the Mesaverde who do not hold an interest in the Pictured Cliffs.



(5) Conoco submitted data showing that the owners of interests in the well and offset operators have been notified of the application. No interest owner or offset operator appeared at the hearing in opposition to the application. A letter of approval from the New Mexico Commissioner of Public Lands was submitted into the record.

(6) Data was presented at the hearing showing that both completions are low volume producers and that the Pictured Cliffs completion is near the economic limit. The proposed commingling is necessary to permit the zone to be produced economically.

(7) Based on the bottomhole pressure data presented at the hearing, there should be no cross flow between zones. The bottomhole pressures in the Pictured Cliffs are 89% that of the Mesaverde.

(8) No reservoir damage due to incompatibility of reservoir fluids is expected.

(9) Commingling is expected to increase total recovery by 114 MMCF in 10 years.

(10) Conoco proposed a method of allocating gas production to the two zones based on current producing rates and relative BTU values. Using current tests, 17.15% of production would be allocated to the Pictured Cliffs and 82.85% to the Mesaverde. Final percentages would be determined based on a combined test following commingling. It is expected that total commingled production will show an increase due to the removal of the packer from the well. Conoco proposes that any increase be attributed to the lower (Mesaverde) zone. Final percentages for gas allocation would be determined after consulting with the supervisor of the Aztec District Office of the Division.

(11) Conoco submitted tests, production records and a late filed letter dated September 21, 1994, to support their proposal that any condensate production be allocated to the Mesaverde following commingling.

~~(12) Conoco submitted tests and production records to support their proposal that any condensate production be allocated to the Mesaverde following commingling.~~

<sup>2</sup>  
(13) Approval of this application is in the best interest of conservation and will serve to prevent waste and protect correlative rights.



Case No. 11030

Order No. R-

Page No. 3

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IT IS THEREFORE ORDERED THAT:

(1) The application of Conoco, Inc. for authority to downhole commingle production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com R Well No. 14, located 940 feet from the South line and 990 feet from the West line (Unit M) of Section 36, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, is hereby approved.

(2) Conoco shall consult with the Supervisor of the Aztec District Office in determining the proper allocation of gas production using the method discussed in Finding Paragraph No. (10) of this order.

(3) Final gas allocation percentages shall be reported by Conoco to the Santa Fe Office of the Division referencing this case and order number.

(4) The operator is responsible for reporting the monthly gas production from the subject well using the allocation method herein adopted.

(5) Any condensate production shall be allocated entirely to the Mesaverde interval.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L