

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

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W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 20, 1994

HAND DELIVERED

11032

Mr. Michael E. Stogner  
Chief Hearing Examiner  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

2 1994

Re: State Com S Well No. 15A  
Unit D-36-32N-12W  
Application of Conoco Inc.  
for Downhole Commingling,  
San Juan County, New Mexico

Dear Mr. Stogner:

On behalf of Conoco Inc., please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for July 21, 1994.

Notices are being sent certified mail, hereby we are notifying all interested parties of their right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application and that failure to appear at the hearing may preclude them from any involvement in this case at a later date.

Oil Conservation Division

June 20, 1994

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Pursuant to the Division's Memorandum 2-90, all parties are hereby informed that if they appear in this case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, July 15, 1994, with a copy delivered to the undersigned.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Conoco Inc.

**PROPOSED ADVERTISEMENT**

Case 11032 Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Blanco-Pictured Cliffs Gas Pool production with Blanco Mesaverde Gas Pool production and with Glades-Fruitland Sand Pool production within the wellbore of its State Com S Well No. 15A, located 790 feet FNL and 1150 feet FWL (Unit D) Sec 36, T32N, R12W, with the N/2 of said Section 36 being dedicated to the Blanco Mesaverde Pool and the NW/4 being dedicated to the Blanco Pictured Cliffs Gas Pool and to the Glades-Fruitland Sand Pool. Said well is located approximately 8 miles east-northeast from LaPlata, New Mexico;

**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:

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

CASE: 11032

**APPLICATION**

Comes now CONOCO INC., ("Conoco") by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval to downhole commingle Blanco-Pictured Cliffs Gas Pool production with Blanco Mesaverde Gas Pool production and with Glades-Fruitland Sand Pool production within the wellbore of its State Com S Well No. 15A, located 790 feet FNL and 1150 feet FWL (Unit D) Sec 36, T32N, R12W, with the N/2 of said Section 36 being dedicated to the Blanco Mesaverde Pool and the NW/4 being dedicated to the Blanco Pictured Cliffs Gas Pool.

In support of its application, Conoco states:

(1) Conoco is the operator of the State Com S Well No. 15A which is an existing triple completion producing well from the Mesaverde formation (See Exhibit "A"), from the Pictured Cliffs formation (See Exhibit "B") and from the Fruitland sand formation (See Exhibit "C").

(2) This well is to be reconfigured so that production from the Blanco-Mesaverde Pool, Blanco-Pictured Cliffs Pool and the Glades Fruitland Sand Pool can be downhole commingled in the wellbore.

(3) The ownership is not common between these three spacing units.

(4) In accordance with Division Rule 303-C-1.(b), the Applicant states and will demonstrate at hearing:

1. That this well is currently a triple completion in the Pictured Cliffs formation, the Fruitland sand formation and in the Mesaverde formation, is marginal and production cannot be economically continued unless it is done so by downhole commingling that production.

2. That there will be no crossflow between the three zones commingled.

3. That the value of the commingled production will not be less than the sum of the values of the individual production.

4. It is expected that the bottom hole pressure of the lower pressure zone is not less than 50 percent of the bottom hole pressure of the higher pressure zone adjusted to a common datum.

(5) In order to salvage the remaining Pictured Cliffs production, the Fruitland sand production and Mesaverde production from this spacing unit, Conoco seeks approval to produce this well as downhole commingled well.

(6) Conoco will submit at the hearing, its proposed formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.

(7) That in order to allocate the commingled production to each of the commingled zones in this well, Conoco requests a provision in the order delegating to the Supervisor of the Aztec District Office of the Division the authority to determine an allocation formula for each of the production zones.

(8) Applicant requests that this matter be docketed for hearing on the Division's Examiner docket now scheduled for July 21, 1994.

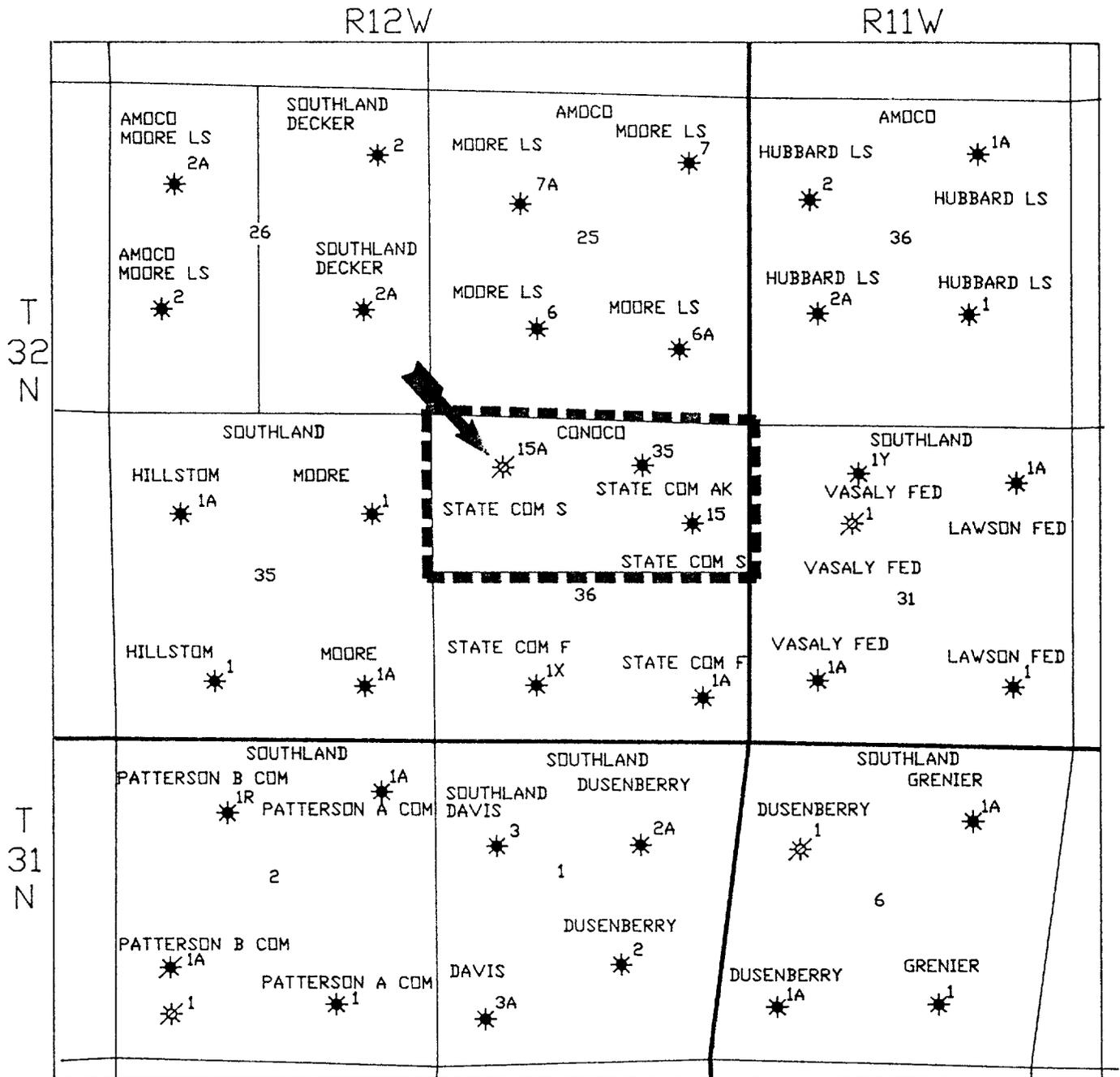
(9) Notice of this application has been sent to all owners of production within each of the spacing units who may be affected by downhole commingling as identified on Exhibit "D" attached.

WHEREFORE Applicant requests that this matter be set for hearing on July 21, 1994 before a duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

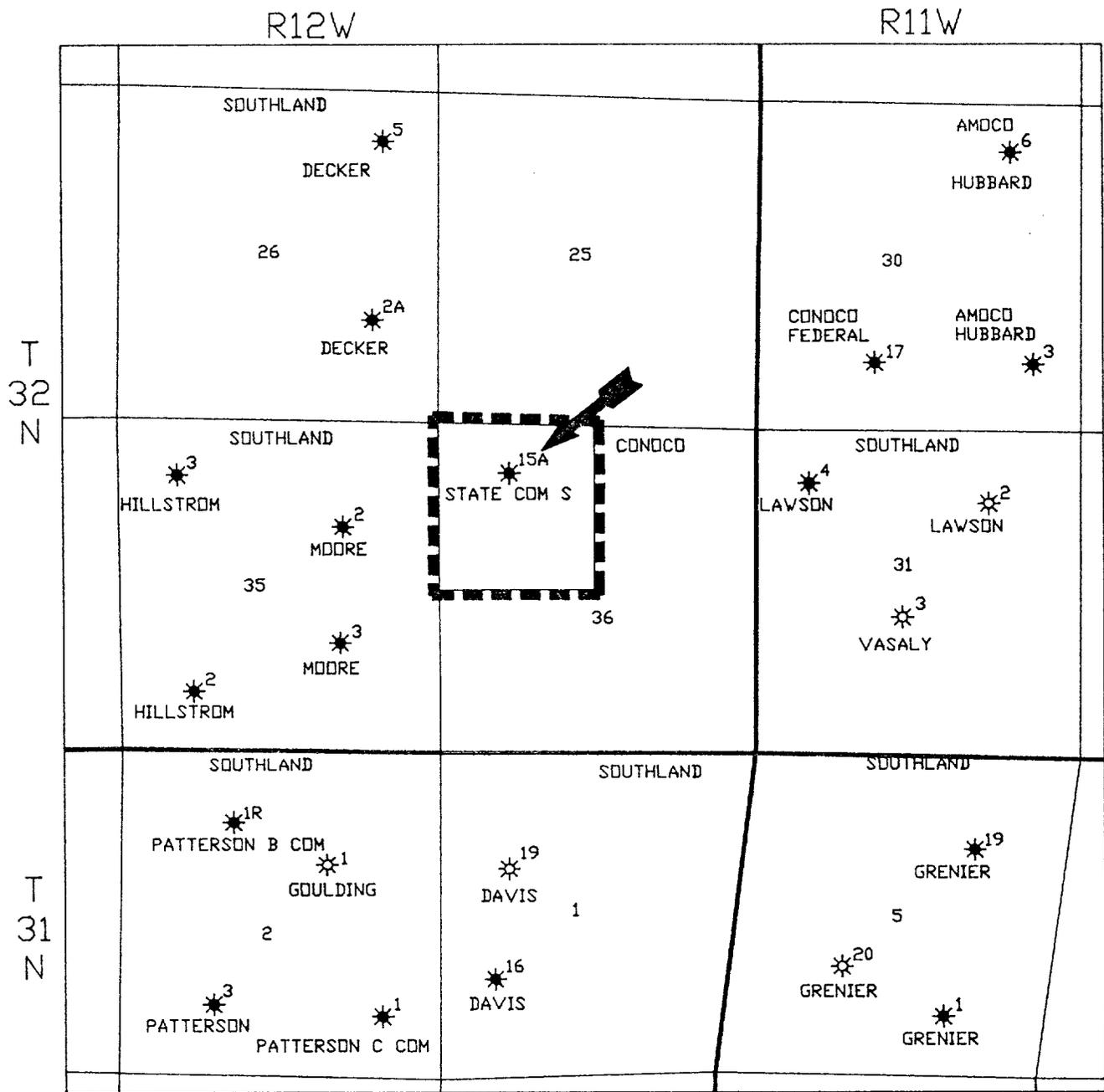
W. Thomas Kellahin  
KELLAHIN and KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285  
Attorneys for Applicant



----- MESAVERDE PRORATION UNIT

		EPNGNA MIDLAND DIVISION
STATE COM S #15A MESAVERDE WELLS		
		DRAWING NO. PL1145

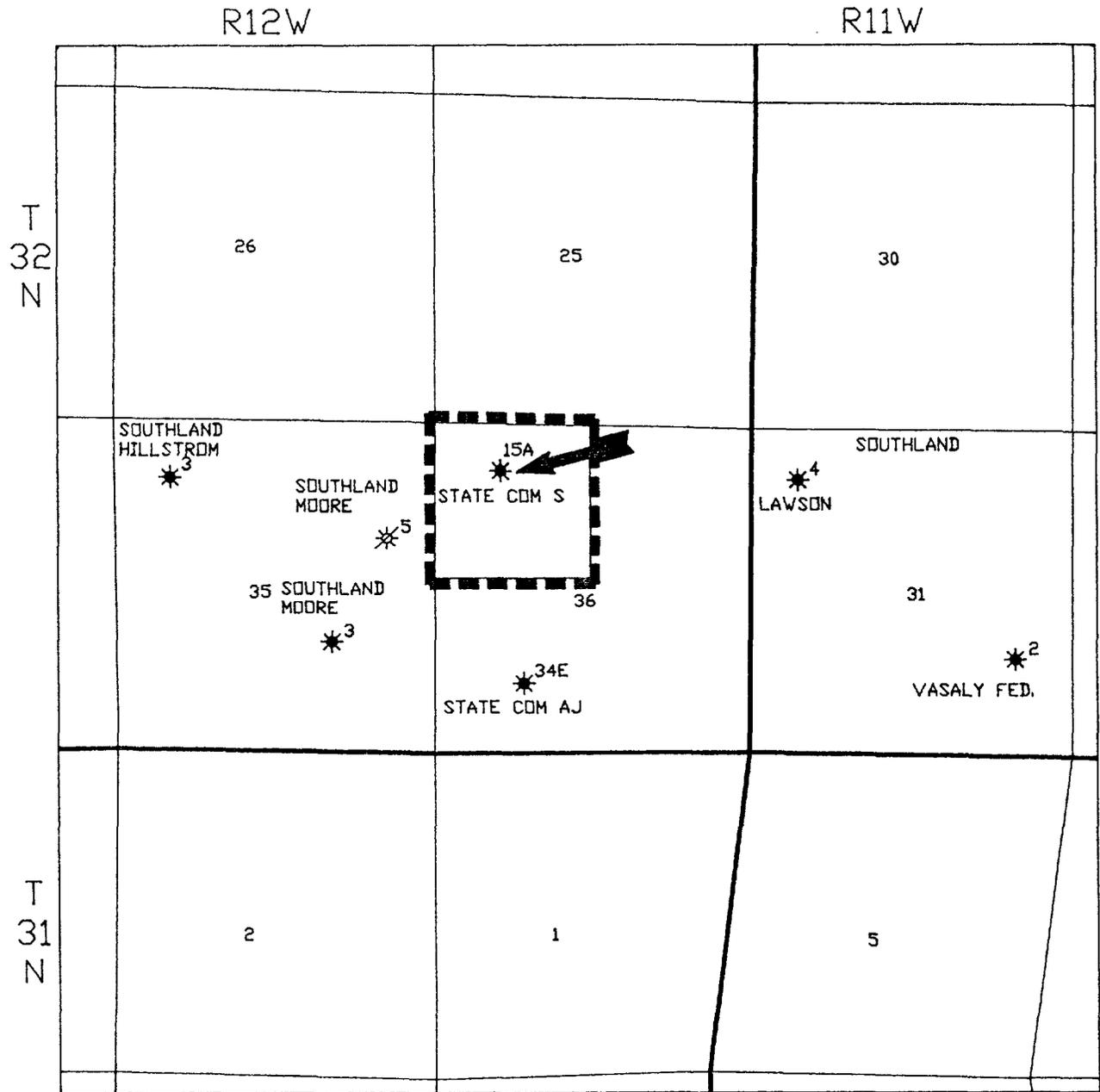
# EXHIBIT A



--- PICTURED CLIFF WELLS UNIT

		EPNGBA MIDLAND DIVISION
STATE CDM S #15A PICTURED CLIFF WELLS		
		DRAWING NO. PL1146

EXHIBIT B



--- FRUITLAND SAND PRORATION UNIT

		EPNGNA MIDLAND DIVISION
STATE COM S #15A FRUITLAND SAND WELLS		
		DRAWING NO. PL1147

EXHIBIT C

STATE COM S 15A

Conoco A/C Mesa Royalty Trust  
P.O. Box 1267  
Ponca City, OK 74602-1267

Conoco A/C Shirley Bernstein  
654 Madison Avenue  
New York, NY 10021-8404

Conoco A/C Atwell & Company  
% United States Trust Co. of New York  
Box 456, Wall Street Station  
New York, NY 10005

Conoco A/C Kathleen B. Lipkins  
654 Madison Avenue  
New York, NY 10021-8404

America West Gas 1993 LLC  
1776 Lincoln Street, Suite 1016  
Denver, CO 80203-1027

RKC Inc.  
152 Hillside Road  
Fairfield, CT 06430-2013

Petrox Consulting Inc.  
9307 Weld County Road 28  
Platteville, CO 80651

Charles B. Gonsales  
P.O. Drawer 2509  
Santa Fe, NM 87504-2509

Sharon McAdams Steinberg  
1058 Palm Street  
Seguin, TX 78155-3255

Ben Dansby, Jr.  
P.O. Box 710  
Midland, TX 79702-0710

Central Resources, Inc.  
1000 The Cenvex Center  
1776 Lincoln Street  
Denver, CO 80203

Chiligram  
Casilla 2021  
Santiago, CHILI

Tipperary Oil and Gas Corporation  
633 17th Street, Suite 1550  
Denver, CO 80202  
Michael Fitz-Gerald and James Fitz-Gerald, III  
Co-Trustees U/W/O Ben R. Dansby  
P.O. Box 710  
Midland, TX 79702-0710

Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, NM 87504-1148

Southland Royalty Company  
% Meridian Oil Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Amoco Production Company  
P.O. Box 800  
Denver, CO 80201

EXHIBIT "D"

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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W. THOMAS KELLAHIN\*

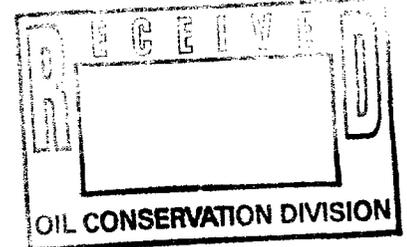
\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

July 12, 1994

HAND DELIVERED

Mr. Michael E. Stogner  
Chief Hearing Examiner  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504



Re: Nine Applications by Conoco Inc. for  
Downhole Commingling, San Juan County, New Mexico  
Case 11028: State Com Well No. 47  
Case 11029: State Com "G" Well No. 2A  
Case 11030: State Com "R" Well No. 14  
Case 11031: State Com "Q" Well No. 13A  
Case 11032: State Com "S" Well No. 15A  
Case 11033: State Com "AJ" Well No. 34E  
Case 11034: State Com "AK" Well No. 35  
Case 11035: Graham "C-WN" Federal Well No. 1A  
Case 11036: Bruington Well No. 15E

Dear Mr. Stogner:

On behalf of the applicant, Conoco Inc., we would appreciate the referenced nine (9) cases being continued from the Division Examiner docket now set for July 21, 1994 docket to the August 18, 1994 docket.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin". The signature is written in a cursive style with a large initial "W".

W. Thomas Kellahin

cc: Jerry Hoover (Conoco-Midland)



State of New Mexico  
Commissioner of Public Lands

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

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

June 27, 1994

*Case 11032*

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

Attn: Mr. Jerry Hoover

Re: Downhole Commingling Application  
State Com S Well No. 15A  
Unit D 36-32N-12W  
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 Glades Fruitland Sand production within the wellbore of the State Com S Well No. 15A, located in Unit letter D, Section 36-32N-12W.

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 27, 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  
E-3151-5



State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

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FAX (505) 827-5766

June 27, 1994

*Case 11032*

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COMMISSIONER OF PUBLIC LANDS

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Oil/Gas and Minerals Division  
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