



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

TONY ANAYA
 GOVERNOR

October 14, 1986

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-5800

Mr. William F. Carr
 Campbell & Black
 Attorneys at Law
 Post Office Box 2208
 Santa Fe, New Mexico

Re: CASE NO. 8994
 ORDER NO. R-8321

Applicant:

Union Texas Petroleum Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
 Director

RLS/fd

Copy of order also sent to:

Hobbs OCD ■
 Artesia OCD x
 Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8994
Order No. R-8321

APPLICATION OF UNION TEXAS
PETROLEUM CORPORATION FOR
DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of October, 1986, 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) The applicant, Union Texas Petroleum Corporation, is the owner and operator of the Jicarilla "G" Well No. 9, located 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 1, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.
- (3) The applicant seeks authority to commingle production from the BS Mesa-Gallup, Basin-Dakota, and Blanco-Mesaverde Pools within the wellbore of the above-described well.
- (4) The well is currently dually completed in the Dakota and Mesaverde formations and the applicant intends to attempt a completion within the Gallup formation.
- (5) The Dakota zone within the wellbore currently experiences liquid loading problems and is capable of low marginal production only.

(6) From the Mesaverde zone, the subject well is capable of low marginal production only.

(7) The proposed commingling should result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided the well is not shut-in for an extended period.

(9) To afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(10) In order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones after completion of the Gallup zone.

IT IS THEREFORE ORDERED THAT:

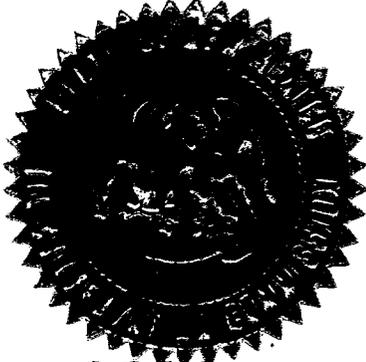
(1) The applicant, Union Texas Petroleum Corporation, is hereby authorized to commingle BS Mesa-Gallup, Basin-Dakota, and Blanco-Mesaverde Pool production within the wellbore of the Jicarilla "G" Well No. 9, located 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 1, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) The applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well after completion of the Gallup zone.

(3) The operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets", is written over the typed name.

R. L. STAMETS
Director

fd/