

Entered November 28, 1979
JLR

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. 6522
Order No. R-6132

APPLICATION OF PETROLEUM CORPORATION
OF TEXAS FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 11, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of November, 1979, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Petroleum Corporation of Texas,
is the owner and operator of the Hanley Well No. 2-A, located
in Unit F of Section 18, Township 29 North, Range 10 West, NMPM,
San Juan County, New Mexico.
- (3) That the applicant seeks authority to commingle
Aztec-Fruitland and Aztec-Pictured Cliffs production within the
wellbore of the above-described well.
- (4) That from the Fruitland zone, the subject well is
expected to be capable of marginal production only.
- (5) That from the Pictured Cliffs zone, the subject well
is capable of a low rate of production only.
- (6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

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

(8) That 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.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 75 percent of the commingled production should be allocated to the Fruitland zone, and 25 percent of the commingled production to the Pictured Cliffs zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corporation of Texas, is hereby authorized to commingle Aztec-Fruitland and Aztec-Pictured Cliffs production within the wellbore of the Hanley Well No. 2-A, located in Unit F of Section 18, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

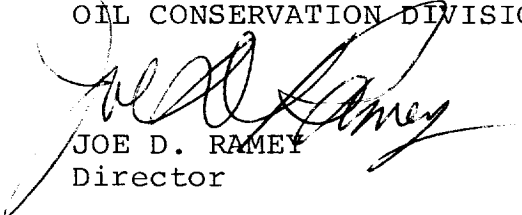
(2) That 75 percent of the commingled production shall be allocated to the Fruitland zone and 25 percent of the commingled production shall be allocated to the Pictured Cliffs zone.

(3) That 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) That 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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