Entered July 22, 1780

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. 6931 Order No. R-6394

APPLICATION OF H. L. HARVEY 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 June 25, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>22nd</u> day of July, 1980, 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, H. L. Harvey, is the owner and operator of the Jones Well No. 3, located in Unit B of Section 13, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Aztec-Fruitland and Bloomfield-Farmington production within the wellbore of the above-described well.

(4) That from the Aztec-Fruitland zone, the subject well is capable of low rates of production only.

(5) That from the Bloomfield-Farmington zone, the subject well is capable of low marginal 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.

-2-Case No. 6931 Order No. R-6394

(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, 5 percent of the commingled production should be allocated to the Aztec-Fruitland zone, and 95 percent of the commingled production to the Bloomfield-Farmington zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, H. L. Harvey, is hereby authorized to commingle Aztec-Fruitland and Bloomfield-Farmington production within the wellbore of the Jones Well No. 3, located in Unit B of Section 13, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(2) That 5 percent of the commingled production shall be allocated to the Aztec-Fruitland zone and 95 percent of the commingled production shall be allocated to the Bloomfield-Farmington 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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION) DIVISION Aney JOE D. RAMEY Director

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