

Entered March 6, 1981
HJR

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. 7159
Order No. R-6620

APPLICATION OF CONSOLIDATED OIL
& GAS, INC. 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 February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of March, 1981, 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, Consolidated Oil & Gas, Inc., is the owner and operator of the Navajo Well No. 2-E, located in Unit C of Section 11, Township 25 North, Range 10 West, NMPM, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Greenhorn oil and Dakota oil and gas production within the wellbore of the above-described well.

(4) That from the Greenhorn zone, the subject well is capable of low marginal oil production only with little or no gas.

(5) That the subject well is so cased that it is impracticable to effect a dual completion thereof.

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(6) That the proposed commingling may result in the recovery of additional hydrocarbons from the Greenhorn formation, thereby preventing waste, and will not violate correlative rights.

(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, 55 percent of the commingled oil production should be allocated to the Greenhorn zone, and 45 percent of the commingled oil production and all of the gas production to the Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Greenhorn and Dakota production within the wellbore of the Navajo Well No. 2-E, located in Unit C of Section 11, Township 25 North, Range 10 West, NMPM, San Juan County, New Mexico.

(2) That 55 percent of the commingled oil production shall be allocated to the Greenhorn zone and 45 percent of the commingled oil production and all of the gas production shall be allocated to the Dakota 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.


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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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