

Entered August 12, 1982
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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. 7590
Order No. R-7056

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 May 26, 1982,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of August, 1982, 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 Payne 1-E, located in Unit P of
Section 35, Township 31 North, Range 13 West, NMPM, San Juan
County, New Mexico.

(3) That the applicant seeks authority to commingle Basin
Dakota and Flora Vista-Gallup production within the wellbore of
the above-described well.

(4) That although the ownership of the aforesaid two
producing zones is not identical, applicant has obtained waivers
of objection to the proposed commingling from all interest
owners in the well.

(5) That from the Basin Dakota zone, the subject well is
capable of low marginal production only.

(6) That from the Flora Vista-Gallup zone, the subject
well is capable of low marginal production only.

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(7) 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.

(8) 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.

(9) 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.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 17 percent of the commingled gas production and 14 percent of the commingled oil production should be allocated to the Gallup zone, and 83 percent of the gas production and 86 percent of the oil production to the Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Basin Dakota and Flora Vista-Gallup production within the wellbore of the Payne 1-E, located in Unit P of Section 35, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

(2) That 17 percent of the commingled gas production and 14 percent of the commingled oil production shall be allocated to the Gallup zone and 83 percent of the gas production and 86 percent of the oil 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.

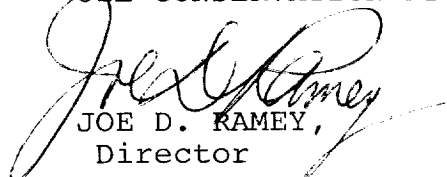
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

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