

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. 7011
Order No. R-6481

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

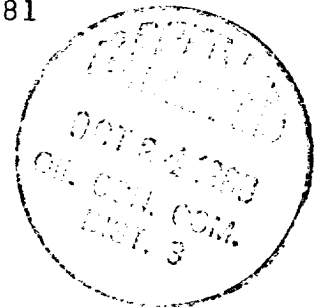
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 17, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 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, Amoco Production Company, is the owner and operator of six wells described as follows: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; Elliott "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; Elliott "D" No. 7, SW/4 of Section 11; and Elliott "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant seeks authority to commingle Fruitland and Blanco-Pictured Cliffs production within the wellbores of the above-described wells.
- (4) That from the Fruitland zone, the subject wells are or are expected to be capable of low marginal production only.
- (5) That from the Blanco-Pictured Cliffs zone, the subject wells are or are expected to be 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.

(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 wells are shut-in for 7 consecutive days.

(9) That 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 in each well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to commingle Fruitland and Blanco-Pictured Cliffs production within the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; Elliott "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; Elliott "D" No. 7, SW/4 of Section 11; and Elliott "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

(2) That 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 each of the subject wells.

(3) That the operator of the subject wells shall immediately notify the Division's Aztec district office any time any of the wells have 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.

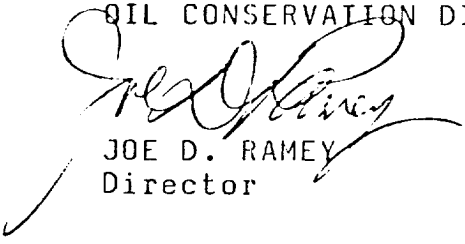
-3-

Case No. 7011

Order No. R-6481

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

S E A L

fd/