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LAND OFFICE	
TRANSPORTER	OIL
OPERATOR	GAS
PRODUCTION OFFICE	

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

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NOV 22 1985

REQUEST FOR ALLOWABLE
AND
OIL CON. DIV
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS
DIST. 3

Operator
COLUMBUS ENERGY CORPORATION (FORMERLY CONSOLIDATED OIL & GAS, INC.)

Address
P.O. BOX 2038, FARMINGTON, NEW MEXICO 87499

Reason(s) for filing (Check proper box)

<input type="checkbox"/> New Well	Change in Transporter of:	<input type="checkbox"/> Dry Gas
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Oil	<input type="checkbox"/> Condensate
<input type="checkbox"/> Change in Ownership	<input type="checkbox"/> Casinghead Gas	

Other (Please explain)
CHANGE OF COMPANY NAME

If change of ownership give name and address of previous owner

I. DESCRIPTION OF WELL AND LEASE

Lease Name PAYNE	Well No. 1-E	Pool Name, including Formation Flora Vista WILDCAT GALLUP	Kind of Lease State, Federal or Fee Federal	Lease No.
Location Unit Letter <u>P</u> : <u>1120</u> Feet From The <u>S</u> Line and <u>1120</u> Feet From The <u>F</u> Range <u>13W</u> , NMPM. <u>SAN JUAN</u> County				

II. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent) P.O. BOX 256, FARMINGTON, NM 87499
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent) P.O. BOX 1899, BLOOMFIELD, NM 87413
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When
	P 35 31N 13W Yes

If this production is commingled with that from any other lease or pool, give commingling order number

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Kay S. Chute
(Signature)
PRODUCTION & DRILLING TECH.
(Title)
October 15, 1985
(Date)

OIL CONSERVATION DIVISION

APPROVED NOV 22 1985
BY Frank J. Dwyer
TITLE SUPERVISOR DISTRICT #3

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.

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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DIST. 3

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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.

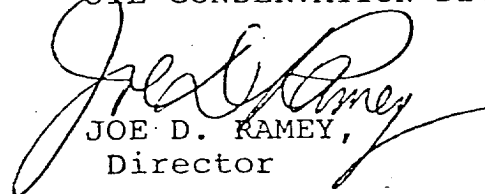
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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DIST. 3

Case No. 7590
Order No. R-7056

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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