

Entered August 9, 1977  
DAR

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 6004  
Order No. R-5510

APPLICATION OF EL PASO NATURAL GAS  
COMPANY FOR DOWNHOLE COMMINGLING,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 3, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of August, 1977, the Commission, a  
quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, El Paso Natural Gas Company, is the  
owner and operator of the San Juan 28-7 Unit Well No. 76, located  
in Unit A of Section 22, Township 28 North, Range 7 West, NMPM,  
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle South  
Blanco-Pictured Cliffs and Blanco Mesaverde production within the  
wellbore of the above-described well.

(4) That from the South Blanco-Pictured Cliffs zone, the  
subject well is capable of low marginal production only.

(5) That from the Blanco Mesaverde 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.

(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.

-2-

Case No. 6004  
Order No. R-5510

(8) That to afford the Commission 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 Commission 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, eight percent of the commingled gas production should be allocated to the South Blanco-Pictured Cliffs zone, and 92 percent of the commingled gas production and all of the oil production to the Blanco Mesaverde zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle South Blanco-Pictured Cliffs and Blanco Mesaverde production within the wellbore of the San Juan 28-7 Unit Well No. 76, located in Unit A of Section 22, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That eight percent of the commingled gas production shall be allocated to the South Blanco-Pictured Cliffs zone and 92 percent of the commingled gas production and all of the oil production shall be allocated to the Blanco Mesaverde zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

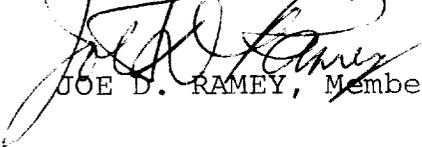
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

jr/