

Entered August 4, 1980
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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. 6929
Order No. R-6426

APPLICATION OF CONSOLIDATED OIL &
GAS, INC. FOR DOWNHOLE COMMINGLING,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 23, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 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, Consolidated Oil & Gas, Inc., is
the owner and operator of the NCRA Well No. 1-E, located in
Unit G of Section 22, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Blanco-Mesaverde and Basin-Dakota production within the
wellbore of the above-described well by using the Dakota
gas lift of Mesaverde liquids after metering on the surface.

(4) That from the Blanco Mesaverde zone, the subject
well is capable of low marginal production only.

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

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(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 well is shut-in for 7 consecutive days.

(9) That the production from the Basin-Dakota zone is to be measured at the surface prior to commingling and that the production from the Blanco-Mesaverde Gas Pool should be determined by the subtraction method.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Blanco-Mesaverde and Basin-Dakota production within the wellbore of the NCRA Well No. 1-E, located in Unit G of Section 22, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, by using Dakota gas production to gas lift Mesaverde liquids.

(2) That production from the Basin-Dakota Gas Pool shall be measured at the surface prior to its use for gas lift purposes.

(3) That production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting the measured gas lift volume from the total measured volume of production.

(4) 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.

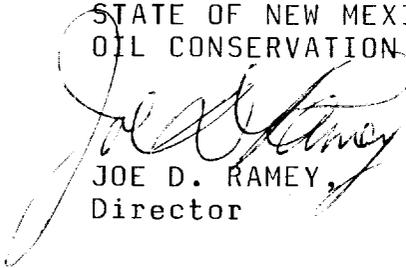
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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