

Entered April 7, 1981
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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. 7185
Order No. R-6634

APPLICATION OF EL PASO EXPLORATION
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 March 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of April, 1981, 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 requested that the application be amended for purposes of this hearing from El Paso Exploration Company to El Paso Natural Gas Company.

(3) That such amendment should be approved.

(4) That El Paso Natural Gas Company is the owner and operator of the Turner Hughes Well No. 17, located in Unit H of Section 10, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

(5) That the applicant seeks authority to commingle Blanco Mesaverde and Basin-Dakota production within the well-bore of the above-described well.

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

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

(8) 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.

(9) 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.

(10) 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.

(11) That in order to allocate the commingled production to each of the commingled zones in the subject well, 73 percent and 64 percent of the commingled gas and oil production, respectively, should be allocated to the Blanco Mesaverde zone, and 27 percent and 36 percent of the commingled gas and oil production, respectively, to the Basin-Dakota zone.

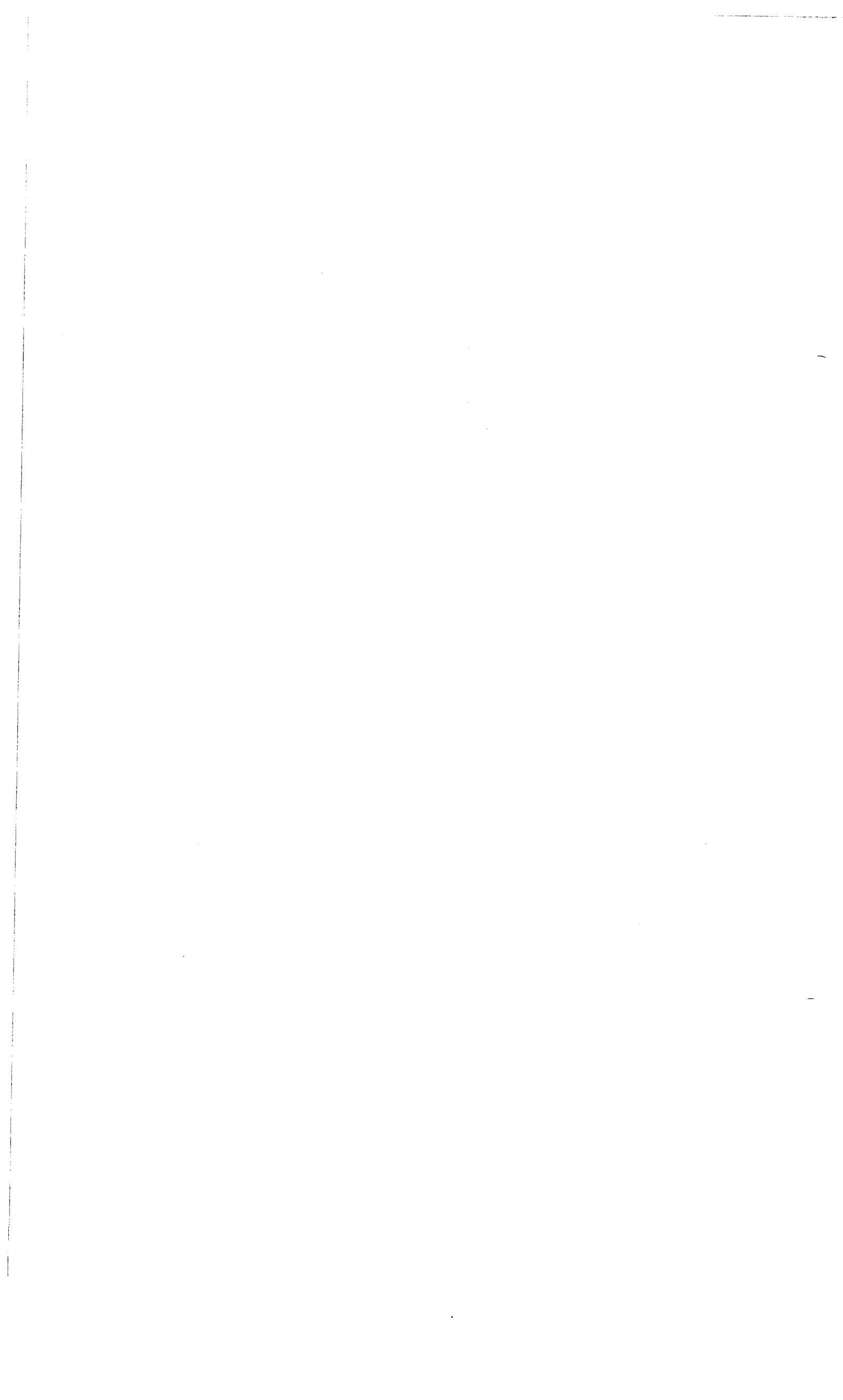
IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle Blanco Mesaverde and Basin-Dakota production within the wellbore of the Turner Hughes Well No. 17, located in Unit H of Section 10, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

(2) That 73 percent and 64 percent of the commingled gas and oil production, respectively, shall be allocated to the Blanco Mesaverde zone and 27 percent and 36 percent of the commingled gas and oil production, respectively, shall be allocated to the Basin-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.

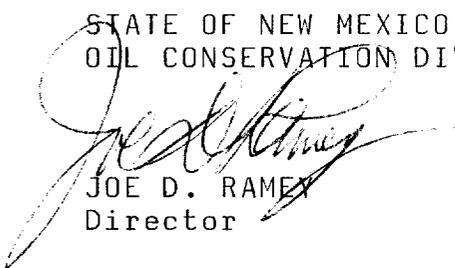


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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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