

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. 8186
Order No. R-7540

APPLICATION OF UNION TEXAS PETROLEUM
CORPORATION FOR DOWNHOLE COMMINGLING,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 9, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of May, 1984, 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, Union Texas Petroleum Corporation, is the owner of the Jicarilla "F" Lease consisting of all of Sections 27, 28, 33, and 34 in Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Blanco Mesaverde, Undesignated Gallup, Basin-Dakota and Wildhorse-Dakota production within the wellbores of wells currently completed and wells to be drilled on said lease.

(4) That from each of said zones, the subject wells are or are expected to be capable of marginal production only.

(5) 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.

(6) 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 no well is shut-in for an extended period.

(7) 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 any of the subject wells is shut-in for 7 consecutive days.

(8) 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.

IT IS THEREFORE ORDERED:

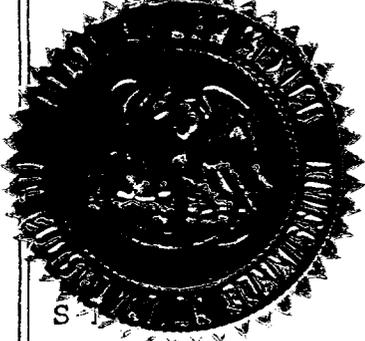
(1) That the applicant, Union Texas Petroleum Corporation, is hereby authorized to commingle Blanco Mesaverde, Undesignated Gallup, Basin-Dakota and Wildhorse-Dakota production within the wellbore of all existing wells and all wells subsequently to be drilled in the Jicarilla "F" Lease, consisting of all of Sections 27, 28, 33, and 34 in Township 26 North, Range 4 West, NMPM, Rio Arriba 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 well shall immediately notify the Division's Aztec district office any time any of the subject wells 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.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director