

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. 8744  
Order No. R-8109

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 December 18, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Union Texas Petroleum Corporation, is the owner of the Jicarilla "L" and "N" Leases underlying, in part, the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico.
- (3) The applicant seeks authority to commingle Otero-Gallup Oil Pool production from the Dakota zone within the Basin-Dakota Oil Pool within the wellbores of wells currently completed and wells to be drilled on said leases within the area described above.
- (4) The subject wells are or are expected to be capable of marginal production only from the subject zones.
- (5) 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) 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.

(7) 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.

(8) In order to allocate the commingled production to each of the commingled zones in the subject 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.

IS THEREFORE ORDERED THAT:

(1) That the applicant, Union Texas Petroleum Corporation, is hereby authorized to commingle Otero-Gallup Oil Pool and Basin-Dakota Oil Pool production within the wellbore of all existing wells and all wells to subsequently be drilled in those portions of Jicarilla "L" and "N" Leases underlying the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico.

(2) 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) 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) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 8744  
Order No. R-8109-A

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

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-8109, dated January 6, 1986, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (2) on page 1 of Division Order No. R-8109 is hereby corrected to read in its entirety as follows:

"(2) The applicant, Union Texas Petroleum Corporation, is the owner of the Jicarilla "L" and "N" Leases underlying, in part, the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, and the NE/4 of Irregular Section 3, Township 24 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico."

(2) Ordering Paragraph No. (1) on page 2 of said Order No. R-8109 is hereby corrected to read in its entirety as follows:

"(1) The applicant, Union Texas Petroleum Corporation, is hereby authorized to commingle Otero-Gallup Oil Pool and Basin-Dakota Oil Pool production within the wellbore of all existing wells and all wells to subsequently be drilled in those portions of Jicarilla "L" and "N" Leases underlying the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, and the NE/4 of Irregular Section 3, Township 24 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico."

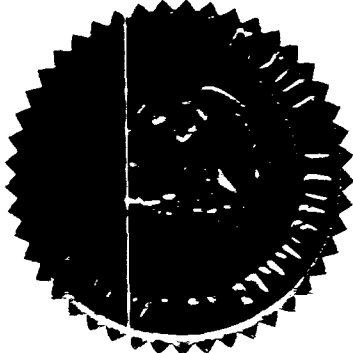
(3) The corrections set forth in this order be entered nunc pro tunc as of January 6, 1986.

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Case No. 8744

Order No. R-8109-A

DONE at Santa Fe, New Mexico, on this 17th day of  
January, 1986.



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS  
Director

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