

- d) the fluids from each zone are compatible with the fluids from the other, and combining the fluids will not result in the formation of precipitates which might damage any of the reservoirs;
 - e) the interest ownership between the zones is common.
- (9) No offset operator appeared at the hearing in opposition to the application.
- (10) Approval of the proposed downhole commingling will allow the applicant the opportunity to recover additional oil and gas reserves from the Morrow and Chester zones which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.
- (11) The applicant proposed that the allocation formula be determined after a stabilized commingled production rate is obtained and after consultation with the supervisor of the Division's Artesia District Office.
- (12) After consultation with the supervisor of the Division's Artesia District Office, the applicant should be required to submit the approved allocation formula to the Santa Fe Office of the Division.

IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Enron Oil & Gas Company, is hereby authorized to downhole commingle the Morrow and Chester formations, Sand Tank-Morrow Gas Pool and Sand Tank-Chester Gas Pool, within its Sand Tank "7" Federal Com Well No. 1 located 990 feet from the North and West lines (Unit D) of Section 7, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico.
- (2) The applicant shall consult with the supervisor of the Divisions's Artesia District Office in order to determine a formula for the allocation of production from the subject well.
- (3) After consultation with the supervisor of the Division's Artesia District Office, the applicant shall submit the approved allocation formula to the Santa Fe Office of the Division.
- (4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.