

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11209
ORDER NO. R-10316

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR SURFACE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

RECEIVED
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ORDER OF THE DIVISION

OIL CONSERVATION
DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 16, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of February, 1995, the Division Director, having considered 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 subject matter was advertised in such a manner that the application and supplemental data provided the Division would be considered and taken under advisement in the absence of objection.
- (3) The applicant, Amoco Production Company ("Amoco"), is the owner and operator of the Jones "A-LS" Well No. 1A (API No. 30-045-22747), located 1460 feet from the South line and 1750 feet from the East line (Lot 2/Unit J) of irregular Section 10, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico. Said well was drilled in 1978 and was dually completed in both the South Blanco-Pictured Cliffs and Blanco-Mesaverde Pools in a conventional manner with two strings of tubing and a packer separating the two gas streams.
- (4) Lots 1 and 2 and the S/2 SE/4 (SE/4 equivalent) of said Section 10, comprising an area of 146.24 acres, was dedicated to the South Blanco-Pictured Cliffs Pool gas production from said well and the Blanco-Mesaverde gas production was dedicated to an existing 293.84-acre gas spacing and proration unit comprising all of said irregular Section 10.

(5) The applicant now seeks authority to commingle South Blanco-Pictured Cliffs and Blanco-Mesaverde Pool gas production from this well in a common gas sales line.

(6) According to the application provided the Division the working interests, royalty interests, and overriding royalty interests are not common between the two producing horizons.

(7) The applicant in this matter failed to provide sufficient information on how production volumes from each pool was to be determined (separately metering, subtraction, or well tests).

(8) The subject application should be denied at this time.

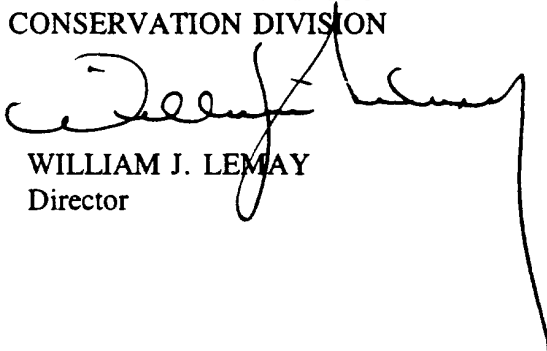
IT IS THEREFORE ORDERED THAT:

(1) The application of Amoco Production Company for authority to commingle gas production from the South Blanco-Pictured Cliffs Pool (146.24 acres comprising the SE/4 equivalent) and Blanco-Mesaverde Pool (293.84 acres comprising all of the irregular section) from its Jones "A-LS" Well No. 1A (API No. 30-045-22747), located 1460 feet from the South line and 1750 feet from the East line (Lot 2/Unit J) of irregular Section 10, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico, into a common sales line is hereby denied.

(2) Jurisdiction is hereby 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

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and extends to the right of the text.

WILLIAM J. LEMAY
Director

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