October 31, 1973

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application to Commingle
Clayton 1-2
N-2-T30N-R12W
San Juan County, New Mexico

Gentlemen:

Consolidated Oil & Gas, Inc. hereby makes application for a hearing to commingle the Gallup and Dakota zones in the Clayton 1-2 well located in the SE/4 SW/4 of Section 2, T30N, R12W, San Juan County, New Mexico. The well is currently dually completed from the Dakota and Gallup as granted by Order No. MC-1121.

In support of this application, we list the following factors for the Commission to consider:

1. The Dakota zone is in the Basin-Dakota Pool. It is a marginal producer with a current producing rate of approximately 35 Mcf of gas per day. (See Attachment "A" for last 12 months production.)

2. The Gallup is a non-prorated zone in the Flora Vista-Gallup Pool. It is averaging approximately 400 Mcf gas per day and had a 1973 deliverability of 416 Mcf per day. (See Attachment "A" for last 12 months production.)

3. The pressures of the two zones are compatible, with the 3-day buildup for the 1973 packer-leakage test showing only a 46 psi difference. (See Attachment "B".)

4. The well has developed downhole mechanical problems (casing failure) which has caused the Gallup formation to quit producing.

RECEIVED
NOV 8 1994
OIL CON. COM.
DIST. 3

5. We anticipate that it will be economically unfeasible to repair the well and keep the Dakota producing as a dual zone.

6. If permission is granted to commingle the Gallup and Dakota zones, we anticipate we can repair the casing and save the Dakota.

7. The productivity of the Dakota at this location is not sufficient to support the drilling of a replacement well.

8. The interest of conservation will be served by granting the commingling application.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

Floyd E. Elliston, Jr.
Area Production Manager

FEE:lt

Attachments

EXHIBIT "A"

CLAYTON No. 1

	Monthly Production (Mcf)	Daily Average Production (Mcf)
Dakota Zone		
October, 1972	1,358	44
November, 1972	1,328	44
December, 1972	1,073	35
January, 1973	1,140	37
February, 1973	853	30
March, 1973	1,173	38
April, 1973	1,145	38
May, 1973	1,075	35
June, 1973	833	28
July, 1973	1,263	41
August, 1973	1,257	41
September, 1973	1,120	37
Gallup Zone		
October, 1972	12,585	406
November, 1972	12,619	421
December, 1972	12,480	403
January, 1973	11,885	383
February, 1973	9,797	350
March, 1973	12,527	404
April, 1973	12,782	426
May, 1973	10,433	337
June, 1973	10,125	338
July, 1973	12,650	408
August, 1973	12,552	405
September, 1973	10,932	364

EXHIBIT "B"

This form is not to be used for reporting packer leakage tests in Southeast New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

Revised 11-1-58

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator Consolidated Oil & Gas Inc. Lease Clayton Well No. 1 (GD)

Location of Well: Unit N Sec. 2 Twp. 30 Rge. 12 County San Juan

	Name of Reservoir or Pool	Type of Prod. (Oil or Gas)	Method of Prod. (Flow or Art. Lift)	Prod. Medium (Tbg. or Csg.)
Upper Completion	GL	Gas	Flow	Tubing
Lower Completion	DK	Gas	Flow	Tubing

PRE-FLOW SHUT-IN PRESSURE DATA

Upper Compl	Hour, date Shut-in 9-23-73	Length of time shut-in 3 days	SI press. psig 511	Stabilized? (~~Xxxxx~~ No)
Lower Compl	Hour, date Shut-in 9-23-73	Length of time shut-in 3 days	SI press. psig 465	Stabilized? (~~Xxxxx~~ No)

FLOW TEST NO. 1

Commenced at (hour, date)* 9-26-73 Zone producing (~~Xxxxxx~~ Lower):

Time (hour, date)	Lapsed time since*	Pressure Upper Compl.	Pressure Lower Compl.	Prod. Zone Temp.	Remarks
9-24	1 day	498	433		
9-25	2 day	506	451		
9-26	3 day	511	465		
9-27	1 day	516	265		Lower Zone Flow
9-28	2 day	520	260		

Production rate during test

Oil: _____ BOPD based on _____ Bbls. in _____ Hrs. _____ Grav. _____ GOR _____

Gas: 40 MCFPD; Tested thru (~~Orifice~~ Meter): Meter

MID-TEST SHUT-IN PRESSURE DATA

Upper Compl	Hour, date Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Lower Compl	Hour, date Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)

FLOW TEST NO. 2

Commenced at (hour, date)** Zone producing (Upper or Lower):

Time (hour, date)	Lapsed time since **	Pressure Upper Compl.	Pressure Lower Compl.	Prod. Zone Temp.	Remarks

RECEIVED NOV 5 1973 OIL CON. COM. DIST. 3

Production rate during test

Oil: _____ BOPD based on _____ Bbls. in _____ Hrs. _____ Grav. _____ GOR _____

Gas: _____ MCFPD; Tested thru (Orifice or Meter): _____

REMARKS: _____

I hereby certify that the information herein contained is true and complete to the best of my knowledge.

Approved: _____ 19____
New Mexico Oil Conservation Commission

By _____

Title _____

Operator Consolidated Oil & Gas Inc.

By Virgil Moore

Title Production Foreman

Date October 5, 1973

NORTHWEST NEW MEXICO PACKER LEAKAGE TEST INSTRUCTIONS

1. A packer leakage test shall be commenced on each multiply completed well within seven days after actual completion of the well, and annually thereafter as prescribed by the order authorizing the multiple completion. Such tests shall also be commenced on all multiple completions within seven days following recompletion and/or chemical or fracture treatment, and whenever remedial work has been done on a well during which the packer or the tubing have been disturbed. Tests shall also be taken at any time that communication is suspected or when requested by the Commission.

2. At least 72 hours prior to the commencement of any packer leakage test, the operator shall notify the Commission in writing of the exact time the test is to be commenced. Offset operators shall also be so notified.

3. The packer leakage test shall commence when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the well-head pressure in each has stabilized, provided however, that they need not remain shut-in more than seven days.

4. For Flow Test No. 1, one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. Such test shall be continued for seven days in the case of a gas well and for 24 hours in the case of an oil well. Note: If, on an initial packer leakage test, a gas well is being flared to the atmosphere due to the lack of a pipeline connection the flow period shall be three hours.

5. Following completion of Flow Test No. 1, the well shall again be shut-in, in accordance with paragraph 3 above.

6. Flow Test No. 2 shall be conducted even though no leak was indicated during Flow Test No. 1. Procedure for Flow Test No. 2 is to be the same as for Flow Test No. 1 except that the previously produced zone shall remain shut-in while the zone which was previously shut-in is produced.

7. Pressures for gas-zone tests must be measured on each zone with deadweight pressure gauges at time intervals as follows: immediately prior to the beginning of each flow period, at fifteen minute intervals during the first hour thereof, and at hourly intervals thereafter, including one pressure measurement immediately prior to the conclusion of each flow period. 7 day tests: immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges, the accuracy of which must be checked at least twice, once at the beginning and once at the end of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

8. The results of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Aztec District Office of the New Mexico Oil Conservation Commission on Northwest New Mexico Packer Leakage Test Form Revised 11-1-58, with all deadweight pressures indicated thereon as well as the flowing temperatures (gas zones only) and gravity and GOR (oil zones only). A pressure versus time curve for each zone of each test shall be constructed on the reverse side of the Packer Leakage Test Form with all deadweight pressure points taken indicated thereon. For oil zones, the pressure curve should also indicate all key pressure changes which may be reflected by the recording gauge charts. These key pressure changes should also be tabulated on the front of the Packer Leakage Test Form.