

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. 6644
Order No. R-6154



APPLICATION OF TENNECO OIL CORPORATION
FOR DOWNHOLE COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 1979, 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, Tenneco Oil Corporation, is the owner and operator of the State K Com Well No. 12, located in Unit E of Section 16, Township 30 North, Range 9 West, NMPM, and its Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Fruitland and Pictured Cliffs production within the wellbore of each of the above-described wells.

(4) That from the Fruitland zone, the subject wells are capable of low rates of production only.

(5) That from the Pictured Cliffs zone, the subject wells are capable of low rates of production only.

(6) 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.

(7) 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 the wells are not shut-in for an extended period.

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

(9) That in order to allocate the commingled production to each of the commingled zones in said 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, Tenneco Oil Corporation, is hereby authorized to commingle Fruitland and Pictured Cliffs production within the wellbores of its State K Com Well No. 12, located in Unit E of Section 16, Township 30 North, Range 9 West, NMPM, and the Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West, NMPM, San Juan 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 wells shall immediately notify the Division's Aztec district office any time either well 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.

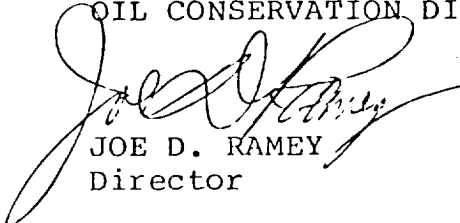
-3-

Case No. 6644

Order No. R-6154

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/