

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. 6840
Order No. R-6312

APPLICATION OF UNION TEXAS PETROLEUM
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 March 26, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of April, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

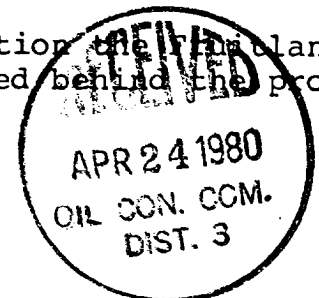
(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Union Texas Petroleum, is the owner and operator of the Johnston Federal Well No. 11Y, located in Unit N of Section 7, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico.

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

(4) That the Fruitland and Pictured Cliffs producing intervals are separated by approximately twenty feet.

(5) That during the process of completion the Fruitland and Pictured Cliffs zones became communicated behind the production casing.



(6) That tests indicate that the Fruitland zone is capable of low marginal production only.

(7) That from the Pictured Cliffs zone, the subject well is expected to be capable of low rates of production only.

(8) That attempts to separate the two zones by squeeze cementing could result in permanent loss of production from all or part of each zone.

(9) 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.

(10) 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 well is not shut-in for an extended period.

(11) 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 the subject well is shut-in for 7 consecutive days.

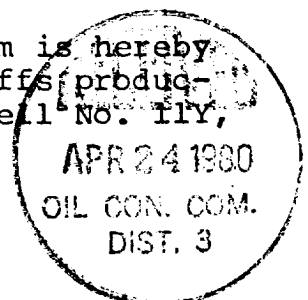
(12) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

(13) That said Johnston Federal Well No. 11Y should be periodically tested during its first year of production to determine the efficacy of the downhole commingling authorized by this order.

(14) The Director of the Division should be empowered to administratively rescind the commingling authority granted by this order if it should appear that the well is producing excessive volumes of water or if it should otherwise appear necessary to prevent waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Texas Petroleum is hereby authorized to commingle Fruitland and Pictured Cliffs production within the wellbore of the Johnston Federal Well No. 11Y,



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located in Unit N of Section 7, Township 31 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 the subject well and a test schedule in accordance with Finding No. (13) above.

(3) That the Division shall witness the tests required by Order (2) above.

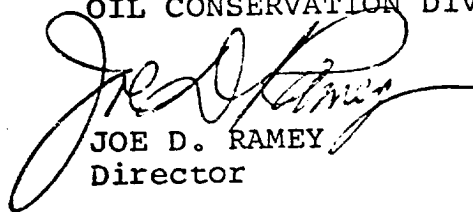
(4) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(5) That the Director of the Division may administratively rescind the commingling authority granted by this order whenever it should appear that said Johnston Federal Well No. 11Y is producing excessive volumes of water or it should otherwise appear necessary to prevent waste.

(6) That jurisdiction of this cause is 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


JOE D. RAMEY
Director

S E A L

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