

CASE 5832: EL PASO NATURAL GAS Co.  
COMPANY FOR DOWNHOLE COMMINGLING,  
SAN JUAN COUNTY, NEW MEXICO

CASE NO.

5832

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 5, 1977

## EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas ) CASE  
Company for downhole commingling, ) 5832  
San Juan County, New Mexico. )

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARINGA P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: Rand C. Schmidt, Esq.  
Legal Counsel  
El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas

MONTGOMERY, FEDERICI, ANDREWS &  
HANNAHS  
Attorneys at Law  
P. O. Box 2307  
Santa Fe, New Mexico

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General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E X

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PAUL W. BURCHELL

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Offered      Admitted

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1 MR. NUTTER: We will call Case Number 5832.

2 MS. TESCHENDORF: Case 5832, application of El Paso  
3 Natural Gas Company for downhole commingling, San Juan County,  
4 New Mexico.

5 MR. SCHMIDT: May we have the record show the same  
6 appearance and qualifications?

7 MR. NUTTER: The same appearance and he is still  
8 under oath, just go ahead and proceed.

9  
10 PAUL W. BURCHELL  
11 called as a witness, having been previously sworn, was  
12 examined and testified as follows:

13  
14 DIRECT EXAMINATION

15 BY MR. SCHMIDT:

16 Q. Mr. Burchell, are you familiar with Case Number 5832  
17 involving El Paso Natural Gas Company?

18 A. Yes, I am.

19 Q. What is El Paso seeking in Case Number 5832?

20 A. El Paso seeks permission to downhole commingle gas  
21 of the South Blanco-Pictured Cliffs Pool with gas of the  
22 Blanco Mesaverde Pool and produce this gas through one meter  
23 in its Storey C-10 Well which is located in Unit letter N in  
24 Section 35, Township 28 North, Range 9 West in San Juan County,  
25 New Mexico.

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1 El Paso proposes that the allocation of gas to each  
2 formation be divided in such a manner that a certain percentage  
3 of gas would be considered Pictured Cliffs gas and the remaining  
4 portion of the gas and in particular all of the liquids would  
5 be considered Mesaverde.

6 Q Has a leak been determined to exist in this well?

7 A Yes, the 1976 annual packer leakage test indicated  
8 communications between the dually completed zones.

9 Q In your opinion where is this leak occurring?

10 A A temperature survey was run which indicated a  
11 cooling near the packer around two thousand, four hundred and  
12 twenty-one feet and it appears then that the leak is probably  
13 in the packer.

14 Q Why is El Paso asking for permission to downhole  
15 commingle?

16 A Downhole commingling in this case is considered by  
17 the company as the most economic and efficient method to under-  
18 take in order to improve the gas and the condensate recovery  
19 from the Mesaverde.

20 Q Okay. Mr. Burchell, you have an exhibit with you  
21 that shows the present equipment in this well, would you  
22 please explain what that exhibit shows?

23 A Yes, I have. It's a schematic sketch again of  
24 the equipment that's in this particular well, in the Storey  
25 C-10 Well. It shows a Baker Model "N" packer at two thousand,

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1 four hundred and twenty-one feet. It shows the Pictured Cliffs  
2 perforations above the packer from two thousand, two hundred  
3 and ninety to two thousand, three hundred and thirty feet. It  
4 shows the Mesaverde perforations below the packer from four  
5 thousand, five hundred and ninety-four feet and the perforations  
6 extend down to four thousand, six hundred and sixty-two feet.  
7 The Pictured Cliffs is produced through a one and a quarter  
8 inch tubing which is set at two thousand, three hundred and  
9 twenty-five feet and the two and three-eighths inch pipe  
10 set at four thousand, six hundred and thirty-eight feet takes  
11 the Mesaverde gas.

12 Q That exhibit has been marked as Exhibit One, is that  
13 correct?

14 A Yes, it has, El Paso's Exhibit Number One.

15 Q Do you have other exhibits showing the production  
16 history of this well?

17 A Yes, I have.

18 Q Would you explain what these exhibits show?

19 A El Paso's exhibits marked Numbers Two and Three show  
20 the Pictured Cliffs and Mesaverde formations gas and condensate  
21 production performance since the well was initially completed.

22 The gas production curve for the Pictured Cliffs  
23 and the Mesaverde is shown on Exhibit Number Two and the  
24 Mesaverde condensate is shown on Exhibit Number Three. As  
25 can be observed from both exhibits the well is presently unable

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1 to produce from the Mesaverde formation because it will not  
2 unload its fluid. It appears that Mesaverde gas produced past  
3 the packer into the Pictured Cliffs side of the well which  
4 resulted in a higher yearly volume than would normally be  
5 expected in the Pictured Cliffs. This continued until the  
6 lower Mesaverde formation was logged off with fluids.

7 Q Do you have any information regarding pressures and  
8 fluid characteristics in this well?

9 A Yes, sir, the Mesaverde three day shut-in tubing  
10 pressure measured two hundred and forty-seven pounds per square  
11 inch during the May 1975 packer leakage test while the  
12 Pictured Cliffs five day shut-in tubing pressure measured a  
13 hundred and thirty-two pounds per square inch.

14 It is estimated that the Pictured Cliffs formation  
15 makes less than a barrel of water and condensate per month.  
16 The Mesaverde, on the other hand, prior to the 1975 packer  
17 leakage test, made about five barrels of water and around  
18 twenty barrels of condensate a month.

19 Q What method would you recommend to undertake to  
20 improve gas and condensate recovery from the Mesaverde forma-  
21 tion?

22 A If authority can be obtained from the New Mexico Oil  
23 and Gas Commission I recommend removal of the one and quarter  
24 inch string of tubing and retiring it, removing the Baker  
25 Model "N" packer and rerunning the two and three-eighths inch



1 tubing to a total depth of about four thousand, six hundred  
2 and thirty-eight feet. This method would increase gas and  
3 condensate recovery from the Mesaverde by utilizing Pictured  
4 Cliffs gas to help lift the Mesaverde liquids and thereby  
5 prevent the zone from logging off.

6 Both zones would be produced through the tubing with  
7 a free-running piston to aid in the condensate production.

8 Q What would the cost of this reworking be that you  
9 have just described?

10 A The estimated cost to commingle the well is around  
11 eleven thousand, nine hundred and ten dollars.

12 Q Is this significantly less than the cost of repairing  
13 the well as a dual completion?

14 A Yes, to repair it as a dual it is estimated to cost  
15 around nineteen thousand, seven hundred dollars.

16 Q By improving the production efficiency of this well  
17 do you foresee an increase in the ultimate gas reserves?

18 A No, I do not. An increase in condensate production  
19 does not necessarily cause a long term increase in gas  
20 production in the area of the Blanco-Mesaverde Field. Now,  
21 there should be an increase in the daily gas flow volume  
22 immediately following the rework but this should stabilize and  
23 resume its expected decline. Reservoir studies or reserve  
24 studies indicate that around sixty-three percent of the total  
25 reserves left in both sides of the well remain in the Mesaverde

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1 Pool and no additional ultimate recovery in gas reserves is  
2 expected.

3 Q In your opinion would granting this application for  
4 downhole commingling of the gas prevent waste and encourage  
5 conservation?

6 A Yes, we would be recovering gas and in particular  
7 condensate that would otherwise not be produced and this, of  
8 course, is a good case for conservation.

9 Q Do you propose a formula by which the gas and liquid  
10 production can be apportioned between the two producing zones?

11 A Yes, I do. For all of 1974 and up to May of 1975,  
12 which was the last positive packer leakage test, the Pictured  
13 Cliffs produced an average of one hundred MCF per day, while  
14 the Mesaverde made one hundred and sixty-seven MCF per day.  
15 This represents about thirty-seven percent Pictured Cliffs and  
16 sixty-three percent Mesaverde and this also corresponds to  
17 the remaining reserves in each formation as I have previously  
18 testified. Therefore, it is recommended that thirty-seven  
19 percent of the well's gas production be attributed to the  
20 South Blanco-Pictured Cliffs Pool and sixty-three percent to  
21 the Blanco-Mesaverde Pool and it is further recommended that  
22 all of the well's liquids be attributed to the Mesaverde Pool,  
23 one hundred percent.

24 Now, it should be noted that both sides of the well  
25 are presently classified as marginal and as of November, 1976,

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1 the Pictured Cliffs was averaging a hundred and four MCF per  
2 day and the Mesaverde nothing.

3 Q What is the nature of the ownership in this well?

4 A El Paso Natural Gas is the sole working interest  
5 owner and royalty ownership in the two zones are identical.

6 Q In your opinion would granting this application  
7 protect correlative rights and prevent waste?

8 A Yes, sir.

9 Q Do you have anything further you would like to  
10 present in this case?

11 A I do not.

12 Q Were Exhibit Numbers One, Two and Three prepared by  
13 you or under your supervision?

14 A They were.

15 MR. SCHMIDT: Mr. Examiner, we would like to offer  
16 Exhibits One, Two and Three into evidence.

17 MR. NUTTER: El Paso Exhibits One, Two and Three will  
18 be admitted into evidence.

19 (THEREUPON, El Paso Exhibits One, Two and  
20 Three were admitted into evidence.)

21  
22 CROSS EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Burchell, you are proposing to pull your one and  
25 a quarter inch tubing string and use the Pictured Cliffs gas

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1 to help lift the Mesaverde, do you think it's going to be  
2 possible in view of the fact your shut-in pressure on the  
3 Pictured Cliffs is only a hundred and thirty-two pounds after  
4 five days but the Mesaverde is two hundred and forty-seven  
5 after three days.

6 A. This is true, there is that Delta P between the  
7 two of them in their shut-in pressures but it is still felt  
8 that once they are open to the producing line at the surface,  
9 which would be less than the Mesaverde pressure and, of course,  
10 less than the Pictured Cliffs pressure that there would be  
11 this additional volume of gas from the Pictured Cliffs that  
12 it would aid in bringing the fluids up, particularly with a  
13 free-running piston inside of that and it would be this  
14 extra volume that we would be relying upon.

15 Q. Actually what you've got here is a liquid problem  
16 in the Mesaverde?

17 A. It's really a liquid problem even though there is  
18 a Delta P across formation, which I always worry about  
19 for commingling wells, you know, in the event that they should  
20 be shut in for some reason in the future. In this case here  
21 because of the liquid problem you would be assured that it  
22 would log itself off and there would be no migration of gas  
23 from the Mesaverde up into the Pictured Cliffs formation.

24 Q. Has this well been produced from the Mesaverde with  
25 a free piston?

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1 A. Yes, and it did not work very good. Up in the  
2 production curve you can see how it steadily declined in the  
3 last few years and the free-running piston, it did operate.

4 Q. When was it put in, about 1972?

5 A. I don't know, I didn't look that up.

6 Q. You have a kick in the production for '72.

7 A. In 1972, I'm sorry, Mr. Examiner, I didn't look  
8 back at the history of exactly when that piston was installed.

9 Q. But at any rate it has quit working now because  
10 the gas is escaping from beneath the packer and is coming  
11 up into the Pictured Cliffs zone?

12 A. It's dead, yes, sir, it's dead and we will put a  
13 new one in.

14 Q. Again we have this remarkable similarity between  
15 reserves and the productivity of these two zones, were these  
16 figures arrived at independently?

17 A. Yes, sir, the reserve study was given to me with  
18 the figures and the amounts were presented to me and I worked  
19 up the end of 1974 and the first part of 1975 and as in the  
20 first case, it was a coincidence but they did come out  
21 identical. And I think more so in the future that any  
22 problems that we have in commingling these wells that I  
23 feel that more emphasis should be placed on reserves because  
24 you can take a period of time during the life of the well and  
25 then, for example, in this well here on Exhibit Two, Mr.

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1 Examiner, let's say in 1966 that this well started to realize  
2 the problems that it's having now and I gave you the figures  
3 of what the year was doing for 1976, I would give the  
4 Pictured Cliffs a higher percentage than the Mesaverde. That's  
5 wrong, it has to be based on reserves.

6 Q It's got to be based on some figure other than a  
7 bad year?

8 A That's right.

9 MR. NUTTER: Are there any further questions of  
10 Mr. Burchell? He may be excused.

11 (THEREUPON, the witness was excused.)

12 MR. NUTTER: Do you have anything further, Mr.  
13 Schmidt?

14 MR. SCHMIDT: No, that's all.

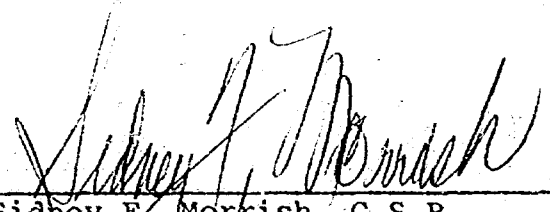
15 MR. NUTTER: Does anyone have anything they wish to  
16 offer in Case Number 5832? We will take the case under  
17 advisement and a fifteen minute recess.

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REPORTER'S CERTIFICATE

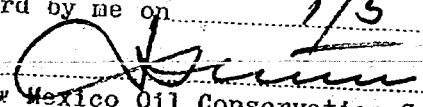
I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5832  
heard by me on 1/5, 1977.

  
Examiner  
New Mexico Oil Conservation Commission

CASE 5829: Application of Elk Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 36, Township 11 South, Range 32 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5830: Application of Northwest Production Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tapacito-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its Jicarilla 117E Well No. 2 located in Unit H of Section 33, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 5831: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacara production in the wellbore of its Jicarilla 67 Well No. 6 located in Unit H of Section 19, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 5832: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its Storey C Well No. 10 located in Unit N of Section 35, Township 28 North, Range 9 West, San Juan County, New Mexico.

CASE 5833: Application of Southern Union Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gallup and Dakota production in the wellbores of the following wells:

Jicarilla "L" Wells Nos. 2, 3, and 4, and Jicarilla "N" Wells Nos. 1 and 2, located respectively in Unit G of Section 10, Unit E of Section 3, Unit G of Section 9, Unit K of Section 4, and Unit N of Section 3, all in Township 24 North, Range 5 West, and Jicarilla "L" Wells Nos. 5 and 6, located respectively in Units N of Section 33 and M of Section 34, both in Township 25 North, Range 5 West, all in Rio Arriba County, New Mexico.

CASE 5834: Application of Sun Oil Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Dessie Sawyer Well No. 2, the surface location of which is 2310 feet from the South and West lines of Section 27, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, and to directionally drill said well in such a manner as to bottom it in the Siluro-Devonian formation within 50 feet of a point 2540 feet from the South and West lines of said Section 27.

CASE 5835: Application of Palmer Oil Company for non-standard proration units, unorthodox locations, and dual completions, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard proration units in Township 31 North, Range 7 West, Rio Arriba County, New Mexico: a 310.48-acre Basin-Dakota unit comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 and SE/4 of Section 2; the following Blanco Mesaverde and Basin-Dakota Units: 323.39 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 3 and Lot 5 and the E/2 SE/4 and SW/4 SE/4 of Section 4; 320 acres comprising the E/2 SW/4 and S/2 SE/4 of Section 3 and NW/4 of Section 10; and 320 acres comprising the W/2 SW/4 of Section 2, N/2 SE/4 of Section 3, and NE/4 of Section 10; the following Fruitland and Pictured Cliffs Units: 150.48 acres comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 of Section 2; 175.76 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 3; 160 acres comprising the W/2 SW/4 of Section 2 and N/2 NE/4 of Section 3; 160 acres comprising the E/2 SW/4 and S/2 SE/4 of Section 3; and 147.63 acres comprising Lot 5 and the SW/4 SE/4 and E/2 SE/4 of Section 4.

Applicant proposes to dedicate the above lands to various wells to be drilled at orthodox and unorthodox locations as follows: Section 2: 2200 feet from South and 800 feet from East lines, and 800 feet from South and 1675 feet from West lines; Section 3: 800 feet from North and West lines, 800 feet from South and 1850 feet from West lines, and 1400 feet from South and 1110 feet from East lines; Section 4: 800 feet from South and East lines; Section 10: 1800 feet from North and 850 feet from West lines, and 1525 feet from North and 1850 feet from East lines.

Applicant further proposes the dual completion of any of the aforesaid wells in any combination of two of the Fruitland, Pictured Cliffs, Mesaverde, or Dakota formations.



J. O. SETH (1883-1963)

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January 4, 1977

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

Re: OCC Case No. 5832 - Application of El Paso  
Natural Gas Company for downhole commingling,  
San Juan County, New Mexico

Gentlemen:

Please be advised that David T. Burleson and/or Rand  
Schmidt of the office of General Counsel of El Paso  
Natural Gas Company are associated with our firm for  
the purpose of presenting testimony with respect to  
the above-referenced case.

Sincerely yours,

*Walter J. Melendres*

OML:RB  
5086-76-12



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO

STATE GEOLOGIST  
EMERY C. ARNOLD

January 18, 1977

Mr. Rand C. Schmidt  
El Paso Natural Gas Company  
Box 1492  
El Paso, Texas 79978

Re: CASE NO. 5832  
ORDER NO. R-5352

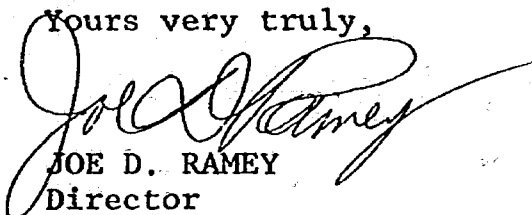
Applicant:

El Paso Natural Gas Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

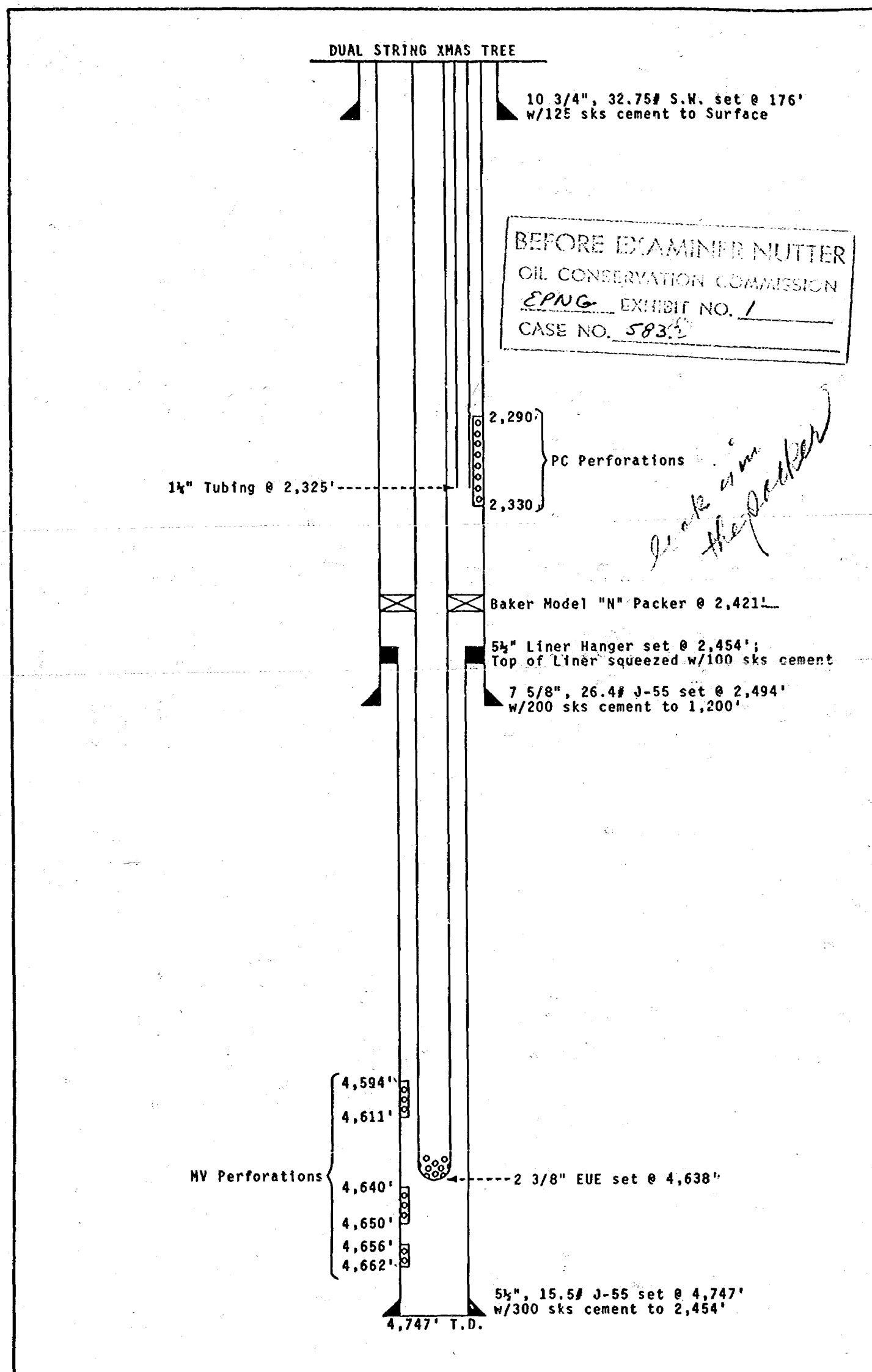
JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC x

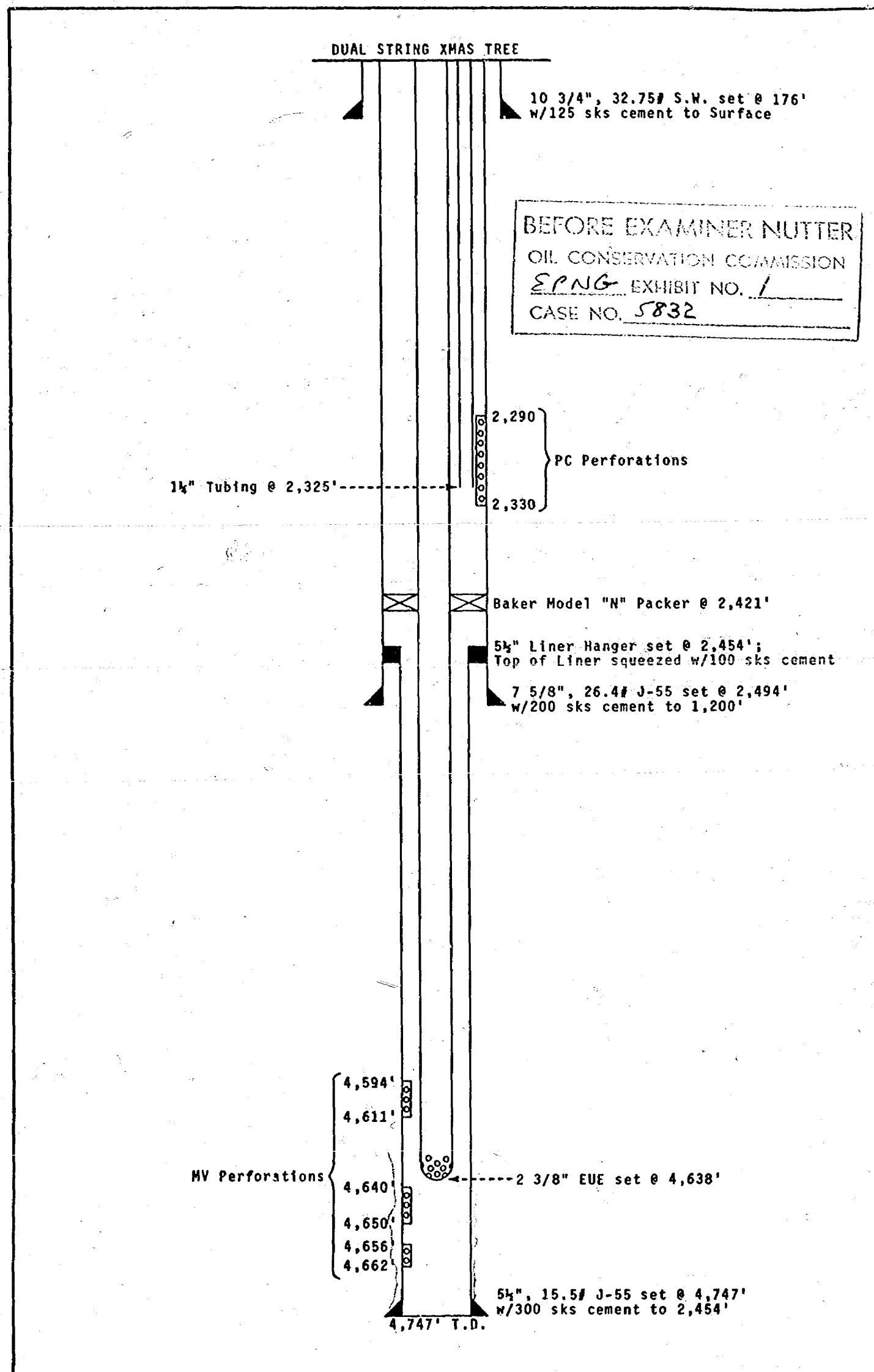
Other Mr. Walter Melendres

SCHEMATIC DIAGRAM OF DUALY COMPLETED  
EL PASO NATURAL GAS COMPANY "STOREY C-10" WELL  
Unit N of Sec. 35, T28N, R9W  
San Juan County, New Mexico

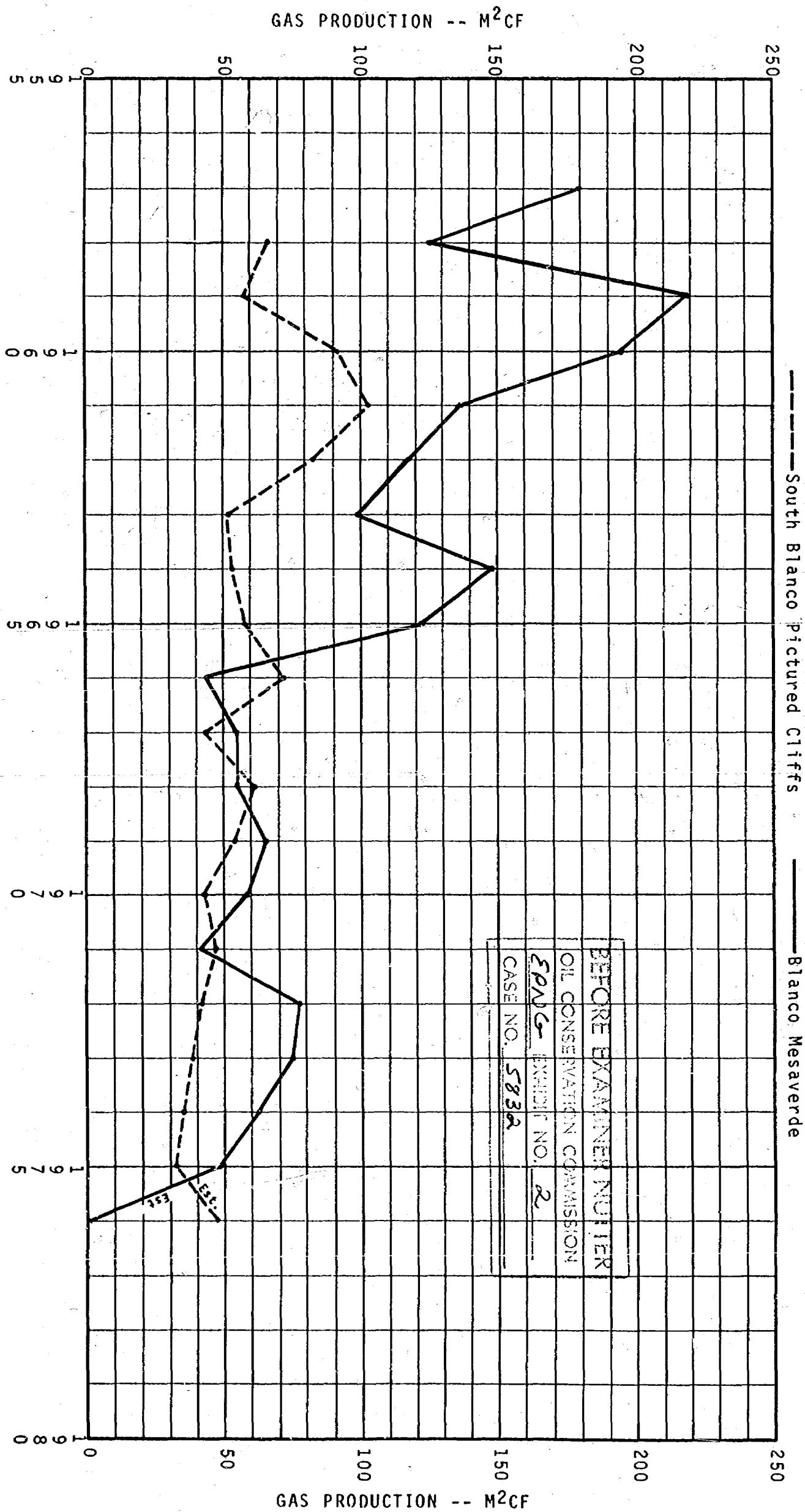


SCHEMATIC DIAGRAM OF DUALY COMPLETED  
EL PASO NATURAL GAS COMPANY "STOREY C-10" WELL  
Unit N of Sec. 35, T28N, R9W  
San Juan County, New Mexico

Exhibit No. 1

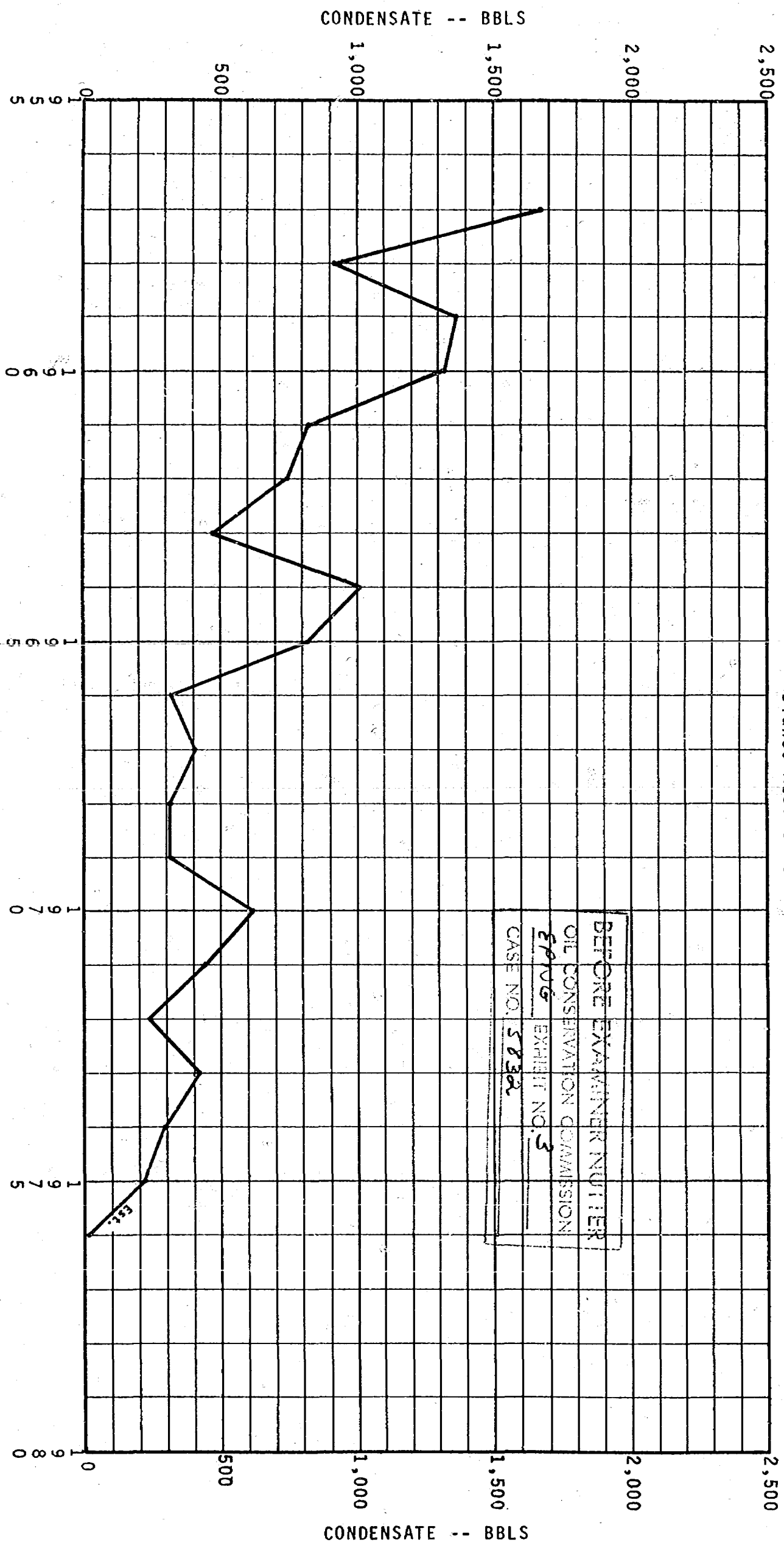


NATURAL GAS PRODUCTION  
El Paso Natural Gas Company "Storey C-10" Well  
Unit N of Sec. 35, T28N, R9W, San Juan County, NM



CONDENSATE PRODUCTION  
El Paso Natural Gas Company "Storey C-10" Well  
Unit N of Sec. 35, T28N, R9W, San Juan County, NM

Blanco Mesaverde



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5832  
Order No. R-5352

APPLICATION OF EL PASO NATURAL GAS  
COMPANY FOR DOWNHOLE COMMINGLING,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of January, 1977, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, El Paso Natural Gas Company, is the owner and operator of the Storey C Well No. 10, located in Unit N of Section 35, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico.

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

(4) That from the South Blanco-Pictured Cliffs zone, the subject well is capable of low marginal production only.

(5) That from the Blanco-Mesaverde zone, the subject well is capable of low marginal 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.

-2-

Case No. 5832  
Order No. R-5352

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

(8) That to afford the Commission 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 Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 37 percent of the commingled gas production and 15 percent of the condensate production should be allocated to the South Blanco-Pictured Cliffs zone, and 63 percent of the commingled gas production and 85 percent of the condensate production to the Blanco-Mesaverde zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle South Blanco-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of the Storey C Well No. 10, located in Unit N of Section 35, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico.

(2) That 37 percent of the commingled gas production and 15 percent of the condensate production shall be allocated to the South Blanco-Pictured Cliffs zone and 63 percent of the commingled gas production and 85 percent of the condensate shall be allocated to the Blanco-Mesaverde zone.

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

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

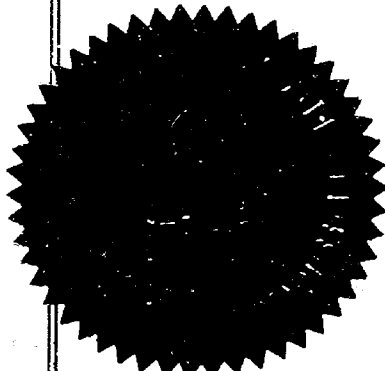


-3-

Case No. 5832  
Order No. R-5352

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

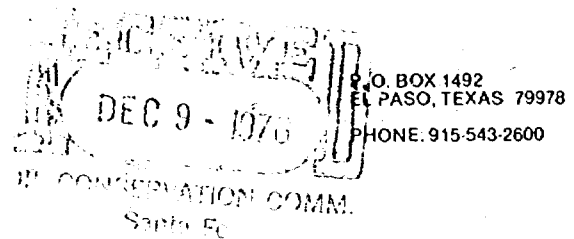
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

**El Paso** NATURAL GAS  
COMPANY



December 7, 1976

*Case 5832*

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing be set before the Commission or its designated examiner at your convenience. El Paso seeks approval to downhole commingle gas from the South Blanco Pictured Cliffs Pool with gas from the Blanco Mesaverde Pool in its Storey C No. 10 Well. This well is located in Unit N of Section 35, T28N-R9W, San Juan County, New Mexico.

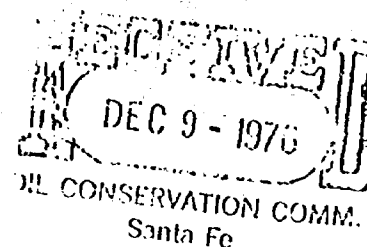
Very truly yours,

*E. R. Manning by JWB*  
E. R. Manning

ERM:eh

cc: Messrs: John F. Eichelmann, Jr.  
David T. Burleson  
Donald A. Wadsworth  
L. G. Truby  
Carl E. Matthews

**El Paso** NATURAL GAS  
COMPANY



December 7, 1976

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

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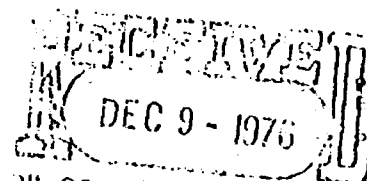
Very truly yours,

*E. R. Manning*  
E. R. Manning

ERM:eh

cc: Messrs: John F. Eichelmann, Jr.  
David T. Burleson  
Donald A. Wadsworth  
L. G. Truby  
Carl E. Matthews

**El Paso** NATURAL GAS  
COMPANY



P.O. BOX 1492  
PASO, TEXAS 79978  
PHONE: 915-543-2600

OIL CONSERVATION COMM.  
Santa Fe

December 7, 1976

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing be set before the Commission or its designated examiner at your convenience. El Paso seeks approval to downhole commingle gas from the South Blanco Pictured Cliffs Pool with gas from the Blanco Mesaverde Pool in its Storey C No. 10 Well. This well is located in Unit N of Section 35, T28N-R9W, San Juan County, New Mexico.

Very truly yours,

A handwritten signature in cursive script, reading "E. R. Manning".

E. R. Manning

ERM:eh

cc: Messrs: John F. Eichelmann, Jr.  
David T. Burleson  
Donald A. Wadsworth  
L. G. Tribby  
Carl E. Matthews

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5832

Order No. R- 5352

APPLICATION OF EL PASO NATURAL GAS COMPANY  
FOR DOWNHOLE COMMINGLING, SAN JUAN COUNTY  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5,  
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of January, 1977, the Commission,  
a quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, El Paso Natural Gas Company, is the  
owner and operator of the Storey C Well No. 10, located  
in Unit N of Section 35, Township 28 North, Range  
9 West, NMPM, San Juan County, New Mexico.

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

(4) That from the South Blanco-Pictured Cliffs zone, the  
subject well is capable of low marginal production only.

(5) That from the Blanco-Mesaverde zone, the  
subject well is capable of low marginal 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.

Case No. \_\_\_\_\_  
Order No. R- \_\_\_\_\_

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

(8) That to afford the Commission 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 Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 37 percent of the commingled gas <sup>and 15 percent of the condensate production</sup> should be allocated to the South Blanco-Pictured Cliffs zone, and 63 percent of the commingled gas <sup>and 85 percent of the condensate production</sup> production to the Blanco-Mesaverde zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle South Blanco-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of the Storey C Well No. 10, located in Unit N of Section 35, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico.

(2) That 37 percent of the commingled gas <sup>and 15 percent of the condensate production</sup> production shall be allocated to the South Blanco-Pictured Cliffs zone and 63 percent of the commingled gas <sup>and 85 percent of the condensate production</sup> production shall be allocated to the Blanco-Mesaverde zone.

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

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.