



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



BRUCE KING  
GOVERNOR  
  
ANITA LOCKWOOD  
CABINET SECRETARY

October 11, 1994

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

RE: Case No. 11029  
Order No. R-10200-A

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Dear Mr. Kellahin:

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

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD   x    
Artesia OCD   x    
Aztec OCD   x  

BLM - Farmington

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

CASE NO. 11029  
ORDER NO. R-10200-A

**APPLICATION OF CONOCO, INC. FOR DOWNHOLE COMMINGLING, SAN  
JUAN COUNTY NEW MEXICO**

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-10200 dated September 29, 1994, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (1) on Page 2 of said Order No. R-10200, be and the same, is hereby amended to read in its entirety:

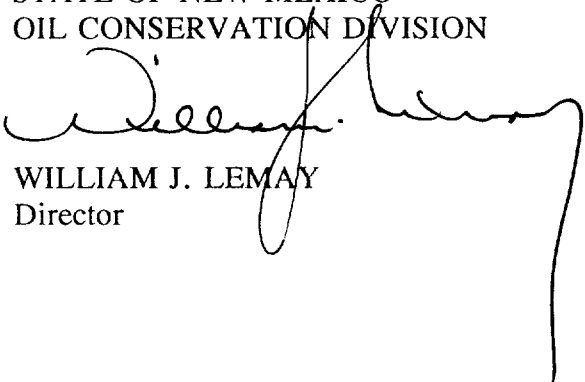
"(1) The application of Conoco, Inc. for authority to downhole commingle production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com G Well No. 2A, located 1650 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby approved."

(2) The corrections set forth in this order be entered nunc pro tunc as of September 29, 1994.

DONE at Santa Fe, New Mexico, on this 11th day of October, 1994.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

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. 11029*  
*ORDER NO. R-10200*

**APPLICATION OF CONOCO, INC. FOR DOWNHOLE COMMINGLING, SAN  
JUAN COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 1, 1994 at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 29<sup>th</sup> day of September, 1994 the Division Director, having considered the testimony, 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) Case Nos. 11028, 11029, 11030, 11031, 11032, 11033, 11035 and 11036 were consolidated for the purpose of presenting testimony at the hearing.

(3) In Case No. 11029, the applicant, Conoco, Inc. (Conoco), seeks approval for the downhole commingling of production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com G Well No. 2A, located 1650 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico.

(4) The SE/4 of said Section 32 (160 acres) is dedicated to the Blanco-Pictured Cliffs completion and the S/2 of Section 32 (320 acres) is dedicated to the Blanco Mesaverde completion. The same working interests and royalty interests share ownership in both completions but the division of ownership among the owners is different for the two completions.

(5) Conoco submitted data showing that the owners of interests in the well and offset operators have been notified of the application. No interest owner or offset operator appeared at the hearing in opposition to the application. A letter of approval from the New Mexico Commissioner of Public Lands was submitted into the record.

(6) Data was presented at the hearing showing that both completions are low volume producers and that the Pictured Cliffs completion is below the economic limit. The proposed commingling is necessary to permit the zone to be produced economically.

(7) Based on the bottomhole pressure data presented at the hearing, there should be no cross flow between zones. The bottomhole pressures in the Pictured Cliffs are 74% that of the Mesaverde.

(8) No reservoir damage due to incompatibility of reservoir fluids is expected.

(9) Commingling is expected to increase total recovery by 57 MMCF in 10 years.

(10) Conoco proposed a method of allocating gas production to the two zones based on current producing rates and relative BTU values. Using current tests, 10.36% of production would be allocated to the Pictured Cliffs and 89.64% to the Mesaverde. Final percentages would be determined based on a combined test following commingling. It is expected that total commingled production will show an increase due to the removal of the packer from the well. Conoco proposes that any increase be attributed to the lower (Mesaverde) zone. Final percentages for gas allocation would be determined after consulting with the supervisor of the Aztec District Office of the Division.

(11) Conoco submitted tests and production records to support their proposal that any condensate production be allocated to the Mesaverde following commingling.

(12) Approval of this application is in the best interest of conservation and will serve to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Conoco, Inc. for authority to downhole commingle production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com G Well No. 47, located 1650 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby approved.

(2) Conoco shall consult with the Supervisor of the Aztec District Office in determining the proper allocation of gas production using the method discussed in Finding Paragraph No. (10) of this order.

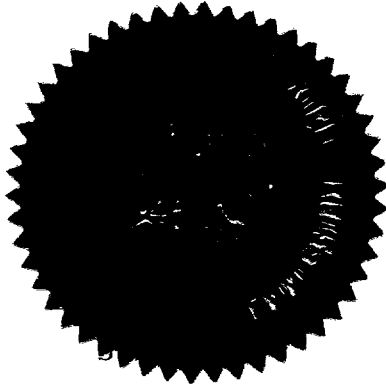
(3) Final gas allocation percentages shall be reported by Conoco to the Santa Fe Office of the Division referencing this case and order number.

(4) The operator is responsible for reporting the monthly gas production from the subject well using the allocation method herein adopted.

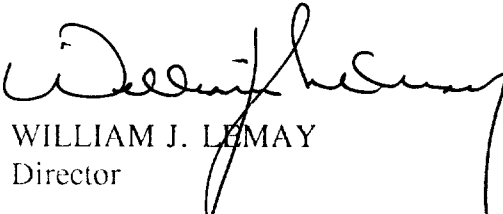
(5) Any condensate production shall be allocated entirely to the Mesaverde interval.

(6) 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

  
WILLIAM J. LEMAY  
Director

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:

*Handwritten signatures and initials:*  
JMS.  
DAC  
DC

CASE NO. 11029  
ORDER NO. R-10200

**APPLICATION OF CONOCO, INC. FOR DOWNHOLE COMMINGLING, SAN JUAN  
COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

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NOW, on this \_\_\_\_\_ day of September, 1994 the Division Director, having considered the testimony, 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) Case Nos. 11028, 11029, 11030, 11031, 11032, 11033, 11035 and 11036 were consolidated for the purpose of presenting testimony at the hearing.

(3) In Case No. 11029, the applicant, Conoco, Inc. (Conoco), seeks approval for the downhole commingling of production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com G Well No. 2A, located 1650 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico.

(4) The SE/4 of said Section 32 (160 acres) is dedicated to the Blanco-Pictured Cliffs completion and the S/2 of Section 32 (320 acres) is dedicated to the Blanco Mesaverde completion. The same working interests and royalty interests share ownership in both completions but the division of ownership among the owners is different for the two completions.

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(12) Approval of this application is in the best interest of conservation and will serve to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Conoco, Inc. for authority to downhole commingle production from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools in its State Com G Well No. 47, located 1650 feet

from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby approved.

(2) Conoco shall consult with the Supervisor of the Aztec District Office in determining the proper allocation of gas production using the method discussed in Finding Paragraph No. (10) of this order.

(3) Final gas allocation percentages shall be reported by Conoco to the Santa Fe Office of the Division referencing this case and order number.

(4) The operator is responsible for reporting the monthly gas production from the subject well using the allocation method herein adopted.

(5) Any condensate production shall be allocated entirely to the Mesaverde interval.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

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