

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. 8764
Order No. R-8096

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of December, 1985, 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) At the time of the hearing Cases Nos. 8762, 8763, 8764, and 8765 were consolidated for the purpose of testimony.
- (3) The applicant, Tenneco Oil Company, is the owner and operator of the Dawson "A" Well No. 1, located 790 feet from the South line and 1450 feet from the West line (Unit N) of Section 4, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (4) The applicant seeks authority to commingle production from the Basin-Dakota and Blanco-Mesaverde Gas Pools within the wellbore of the above-described well.
- (5) From the Basin-Dakota zone, the subject well is capable of low marginal production only.
- (6) From the Blanco-Mesaverde zone, the subject well is capable of low marginal production only.

(7) The proposed commingling should result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) 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.

(9) 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.

(10) In order to allocate the commingled production to each of the commingled zones in the subject well, 52 percent of the total commingled production should be allocated to the Basin-Dakota zone, and 48 percent of the total commingled production to the Blanco-Mesaverde zone.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Tenneco Oil Company, is hereby authorized to commingle production from the Basin-Dakota and Blanco-Mesaverde Gas Pools within the wellbore of the Dawson "A" Well No. 1, located 790 feet from the South line and 1450 feet from the West line (Unit N) of Section 4, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

(2) Fifty-two percent of the total commingled production shall be allocated to the Basin-Dakota zone and 48 percent of the total commingled production shall be allocated to the Blanco-Mesaverde zone.

(3) 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.

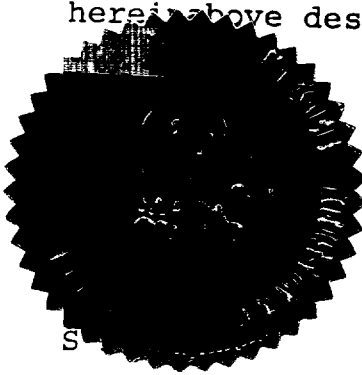
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 8764

Order No. R-8096

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director