

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

September 8, 1988

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

Re: CASE NO. 9471
ORDER NO. R-8739

Applicant:

Conoco Inc.

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Scott Hall

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. 9471
ORDER NO. R-8739

APPLICATION OF CONOCO INC.
FOR DOWNHOLE COMMINGLING,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 31, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of September, 1988, 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) The applicant, Conoco Inc., is the owner and operator of the State F-1 Well No. 9, located 330 feet from the South and West lines (Unit U) of Section 1, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) The applicant seeks authority to commingle Hardy-Blinebry and Hardy Tubb-Drinkard Pool production within the wellbore of the above-described well.

(4) From the Hardy-Blinebry zone, the subject well is capable of low marginal production only.

(5) From the Hardy Tubb-Drinkard zone, the subject well is capable of low marginal production only.

(6) 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) 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 of time.

(8) To afford the Division the opportunity to assess the potential for waste and to expeditiously order the appropriate remedial action, the operator should notify the Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) The commingled production should be allocated in the following manner:

<u>POOL</u>	<u>OIL%</u>	<u>GAS%</u>
Hardy-Blinebry	62	57
Hardy Tubb-Drinkard	38	43

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Conoco Inc., is hereby authorized to commingle Hardy-Blinebry and Hardy Tubb-Drinkard production within the wellbore of the State F-1 Well No. 9, located 330 feet from the South and West lines (Unit U) of Section 1, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) Allocation of the commingled production to each of the commingled zones in the subject well shall be as follows:

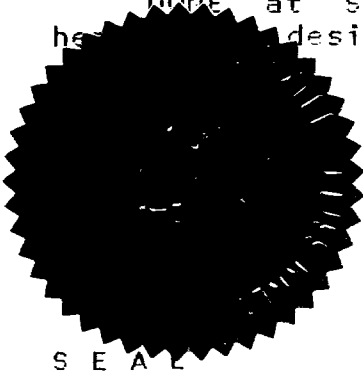
<u>POOL</u>	<u>OIL%</u>	<u>GAS%</u>
Hardy-Blinebry	62	57
Hardy Tubb-Drinkard	38	43

(3) The operator of the subject well shall immediately notify the Division's Hobbs 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.

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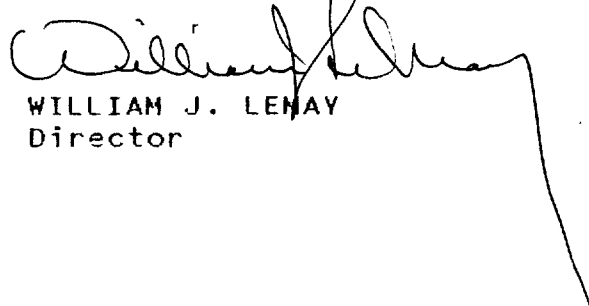
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LENAY
Director