

Entered October 22, 1968
A.L.P.

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. 3874
Order No. R-3527

APPLICATION OF GULF OIL CORPORATION
FOR DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 1968, 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, Gulf Oil Corporation, is the owner and operator of the C. L. Hardy Well No. 2, located in Unit N of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order MC-1156, the subject well was authorized as a dual completion for the production of oil from the Paddock and Blinebry formations through parallel strings of tubing.

(4) That the subject well is presently shut in as to the Blinebry formation; that just prior to said shutting in, the

-2-

CASE No. 3874

Order No. R-3527

Blinebry formation was producing approximately one barrel of oil per day.

(5) That the subject well is presently producing approximately five barrels of oil per day by pump from the Paddock formation.

(6) That the applicant proposes to remove the packer and one string of tubing from said well and to produce the low marginal production from the subject zones through a single string of tubing.

(7) That the proposed commingling may substantially extend the productive lives of the subject zones in the aforesaid well.

(8) That the reservoir characteristics of each of the two zones are such that underground waste would not be caused by the proposed commingling in the well-bore.

(9) That the proposed commingling may result in the recovery of additional oil from both of the subject pools, thereby preventing waste, and will not violate correlative rights.

(10) That production tests should be conducted, prior to commingling, to determine the production from each zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its C. L. Hardy Well No. 2, located in Unit N of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Paddock Oil Pool through perforations from 5148 feet to 5155 feet and from the Blinebry Oil Pool through perforations from 5770 feet to 5909 feet, commingling the production from each of said zones in the well-bore;

PROVIDED HOWEVER, that the production of each zone shall be established and future production allocated to the Paddock and Blinebry zones of the subject well in the proportion that the production from each zone bears to the combined production from both zones until further order of the Commission;

PROVIDED FURTHER, that commingling in the well-bore shall continue only so long as the commingled production does not

-3-

CASE No. 3874

Order No. R-3527

exceed the top unit allowable for either of the zones in the subject well.


(2) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

esr/