

Entered December 31, 1968
A.L.S.

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. 3995
Order No. R-3645

APPLICATION OF CONTINENTAL OIL
COMPANY 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 December 11, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 31st day of December, 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, Continental Oil Company, is the owner and operator of the Baish "A" Wells Nos. 12 and 13, located, respectively, in Unit A of Section 21 and Unit E of Section 22, both in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That each of the subject wells is presently dually completed for the production of oil from the Maljamar-Abo and Baish-Wolfcamp Pools through parallel strings of tubing.

(4) That the Baish "A" Well No. 12 is thought to be capable of producing approximately 40 barrels of oil per day from the Maljamar-Abo Pool and approximately 60 barrels of oil per day from the Baish-Wolfcamp Pool.

(5) That the Baish "A" Well No. 13 is thought to be capable of producing approximately 80 barrels of oil per day from the Maljamar-Abo Pool and approximately 70 barrels of oil per day from the Baish-Wolfcamp Pool.

(6) That the applicant proposes to produce and to commingle in a single string of tubing the marginal oil production from the aforesaid pools in each of the subject wells by means of a dual-flow downhole choke assembly without first measuring the production from each zone.

(7) That the subject zones in each of the wells will remain separated by packers.

(8) That the proposed commingling by means of dual-flow downhole choke assemblies may substantially extend the productive lives of each of the subject zones in the subject wells.

(9) That the fluid characteristics of each of the subject zones are such that waste would not be caused by the proposed commingling in the well-bores.

(10) That the proposed commingling by means of dual-flow downhole choke assemblies may result in the recovery of additional oil from each of the subject zones in each of the subject wells, thereby preventing waste, and will not violate correlative rights.

(11) That the marginal production from each zone in each of the subject wells must be artificially lifted.

(12) That artificial lift equipment has been installed on one of the subject zones in one well; that the other three zones are in need of artificial lift equipment; that stabilized rates of production have not been established for any of the subject zones.

(13) That production tests of either the Abo or Wolfcamp zones in each well should be conducted quarterly and the productivity of each zone established; provided, however, that the Secretary-Director of the Commission may authorize annual production tests if he determines, on the basis of previous tests, that a stabilized rate of decline and production has been achieved in each zone, and that quarterly tests are no longer necessary to accurately determine and allocate production from each zone.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its Baish "A" Well No. 12, located in Unit A of Section 21, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Maljamar-Abo Pool through perforations from 8905 feet to 8977 feet and from the Baish-Wolfcamp Pool through perforations from 9826 feet to 9882 feet, commingling the production from each of said zones in a single string of tubing by means of a dual-flow downhole choke assembly in accordance with Exhibit Number 9-A introduced in this case;

PROVIDED HOWEVER, that said commingling shall continue only so long as the commingled producing capacity does not exceed the top unit allowable for either of the zones in the subject well.

(2) That the applicant, Continental Oil Company, is hereby authorized to complete its Baish "A" Well No. 13, located in Unit E of Section 22, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Maljamar-Abo Pool through perforations from 8918 feet to 8951 feet and from the Baish-Wolfcamp Pool through perforations from 9797 feet to 9873 feet, commingling the production from each of said zones in a single string of tubing by means of a dual-flow downhole choke assembly in accordance with Exhibit Number 9-B introduced in this case;

PROVIDED HOWEVER, that said commingling shall continue only so long as the commingled producing capacity does not exceed the top unit allowable for either of the zones in the subject well.

(3) That Rule 112-A of the Commission Rules and Regulations shall apply insofar as said rule is not inconsistent with this order.

(4) That allocation of production to the Abo and Wolfcamp zones shall be by the subtraction method based upon production tests of the commingled Abo-Wolfcamp and either the Abo or Wolfcamp zones at stabilized production rates.

(5) That communication tests shall be conducted upon installation of each of the dual-flow downhole choke assemblies.

(6) That production tests of the combined zones and of either the Abo or Wolfcamp zone in each well shall be conducted quarterly and the productivity of each zone thus established.

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(7) That communication tests shall be conducted annually on each well.

(8) That the operator of the wells shall notify the District Supervisor, Oil Conservation Commission, Hobbs, New Mexico, of the date and time production tests are to be conducted and shall furnish a complete report of such tests to the Commission's Hobbs District Office.

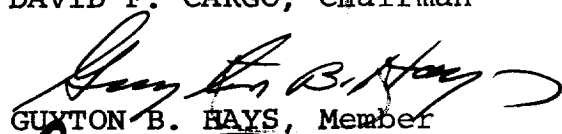
(9) That the Secretary-Director may authorize annual production tests if he determines, on the basis of previous tests, that a stabilized rate of decline and production has been achieved in each zone, and that quarterly tests are no longer necessary to accurately determine and allocate production from each zone.

(10) 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


GUXTON B. HAYS, Member


A. L. PORTER, Jr. Member & Secretary

S E A L

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