

Entered September 6, 1972
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. 4732
Order No. R-4364

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 July 12, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of September, 1972, 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 Skaggs "B" Well No. 5, located in Unit C of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinbry and Skaggs-Drinkard Pools in the wellbore of the above-described well and to produce the commingled production through a single string of tubing.

(4) That from the Skaggs-Glorieta zone, the subject well is capable of marginal production only.

(5) That from the East Weir-Blinbry zone, the subject well is capable of low marginal production only.

(6) That from the Skaggs-Drinkard zone, the subject well is capable of low marginal production only.

(7) That 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.

-2-

CASE NO. 4732

Order No. R-4364

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

(10) That the commingled oil production and commingled gas production should be allocated to the various zones based on a production test approved and witnessed by a representative of the Hobbs district office of the Commission.

(11) That such production test should be commenced not sooner than 15 days and the results reported to the Commission no later than 30 days after the subject well has been placed on production.

(12) That Commission Order No. R-2434 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its Skaggs "B" Well No. 5, located in Unit C of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the wellbore the production from the Skaggs-Glorieta, East Weir-Blinebry, and Skaggs-Drinkard Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That the Commission will establish a formula for allocating the commingled oil production and the commingled gas production to the various zones of the subject well based on a production test approved and witnessed by a representative of the Hobbs district office of the Commission.

(3) That such production test shall be commenced not sooner than 15 days and the results reported no later than 30 days after the subject well has been placed on production.

(4) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(5) That Commission Order No. R-2434 is hereby superseded.

-3-

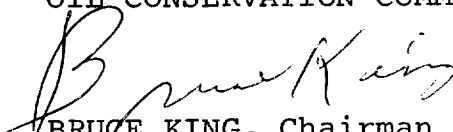
CASE NO. 4732

Order No. R-4364


(6) 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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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