

*Entered November 27, 1972*  
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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. 4855  
Order No. R-4443

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 November 14, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of November, 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, Gulf Oil Corporation, is the owner and operator of the R. E. Cole (NCT-A) Well No. 10 in Unit E of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That when said well was drilled in 1967, swab tests in the Montoya formation indicated low marginal producing capacity in said formation, and said zone was sealed off and the well completed in the South McCormack-Silurian Pool.

(4) That productivity in the South McCormack-Silurian zone of the subject well has now declined to the economic limit of production.

(5) That the applicant proposes to open the well to both the Silurian and Montoya formations and to commingle in the well-bore production from the South McCormack-Silurian and the Cary-Montoya Pools.

(6) That analysis of the combined liquid hydrocarbon production from both of the aforesaid pools indicates the fluids are compatible with each other and that no peculiar production problems should result from the proposed downhole commingling.

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(7) That approval of the application will not cause waste nor impair correlative rights, and should extend the economic life of the well, thereby resulting in the recovery of oil that would otherwise be lost.

(8) That the proposed downhole commingling should be approved.

(9) That the commingled production should be allocated upon the basis of production tests to be submitted to the Santa Fe office of the Commission at the time of conversion.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its R. E. Cole (NCT-A) Well No. 10, located in Unit E of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Cary-Montoya and South McCormack-Silurian Oil Pools through one string of tubing, commingling in the well-bore the production from both pools.

(2) That immediately upon completion of the above-described well in both zones, the operator shall furnish the Santa Fe office of the Commission production tests for the combined zones of the well, whereupon the Commission shall establish a formula for allocating the commingled oil production and commingled gas production to each zone.

(3) That the commingling in the well-bore authorized by this order shall continue only so long as the commingled production of the two zones does not exceed 50 barrels of oil per day nor 50 barrels of water per day.


(4) That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.


(5) 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. ARMILLO, Member

  
A. L. PORTER, Jr. Member & Secretary

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