1 Jan 15, 1973 Inleved

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. 4987 Order No. R-4554

APPLICATION OF TEXACO INC. 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 June 6, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of June, 1973, 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, Texaco Inc., is the owner and operator of the A. H. Blinebry Well No. 20, located in Unit E of Section 20, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil 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 Blinebry zone, the subject well is capable of low marginal production only.

(5) That from the Tubb zone, the subject well is capable of low marginal production only.

(6) That from the 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. 4987 Order No. R-4554

(8) That 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.

(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 in order to allocate the commingled production to each of the commingled zones in the subject well, 12 percent of the commingled oil production should be allocated to the Blinebry zone, 12 percent of the commingled oil production to the Tubb zone, and 76 percent of the commingled oil production to the Drinkard zone, and that six percent of the commingled gas production should be allocated to the Blinebry zone, 24 percent of the commingled gas production to the Tubb zone and 70 percent of the commingled gas production to the Drinkard zone.

(11) That Administrative Order MC-1574 should be superseded.

## IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its A. H. Blinebry Well No. 20, located in Unit E of Section 20, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the wellbore the production from the Blinebry, Tubb, and Drinkard Oil Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That 12 percent of the commingled oil production shall be allocated to the Blinebry zone, 12 percent of the commingled oil production shall be allocated to the Tubb zone, and 76 percent of the commingled oil production shall be allocated to the Drinkard zone and that six percent of the commingled gas production shall be allocated to the Blinebry zone, 24 percent of the commingled gas production shall be allocated to the Tubb zone, and 70 percent of the commingled gas production shall be allocated to the Drinkard zone.

(3) 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.

(4) That Administrative Order MC-1574 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-Case No. 4987 Order No. R-4554

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

ろ 1 6

*t*. R. TRUJILLO, Chairman

nnafe El ALEX J. ARMIJO, Member えん

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

SEAL

dr/