

*Richard L. Stamets*  
*R.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. 5398  
Order No. R-4953

APPLICATION OF PENNZOIL UNITED,  
INC., FOR DOWNHOLE COMMINGLING,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of January, 1975, 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, Pennzoil United, Inc., is the owner and operator of the Mobil 12 Federal Well No. 1, located in Unit B of Section 12, Township 23 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico.

(3) That said well is a gas well which has been dually completed in the Atoka and Morrow formations for several years.

(4) That the applicant has recently perforated additional producing zones in the Atoka and Morrow formations in said well.

(5) That for unknown reasons, the perforation work resulted in communication of the Atoka and Morrow zones within the wellbore of said well.

(6) That to perform the work necessary to achieve separation of the two zones in the wellbore would result in substantial risk to human life or damage to the reservoir with concurrent underground waste.

(7) That the applicant proposes to commingle Atoka and Morrow gas production in the wellbore of the subject well.

- (8) That the Morrow zone in said well is prorated.
- (9) That the Atoka zone in said well is not prorated.
- (10) That if the production for both zones were credited to the Morrow zone, the well would still be a marginal well.
- (11) 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.
- (12) 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.
- (13) 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 Artesia district office of the Commission any time the subject well is shut-in for 7 consecutive days.
- (14) That in order to allocate the commingled production to each of the commingled zones in the subject well for statistical purposes, 30 percent of the commingled production should be allocated to the Atoka zone, and 70 percent of the commingled production to the Morrow zone.
- (15) That for purposes of prorationing, 100 percent of the production from the subject well should be charged against the well's gas allowable for the Morrow zone.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Pennzoil United, Inc., is hereby authorized to commingle Atoka and Morrow production within the wellbore of the Mobil 12 Federal Well No. 1, located in Unit B of Section 12, Township 23 South, Range 26 East, NMPM, South Carlsbad Field, Lea County, New Mexico.
  - (2) That for statistical purposes, 30 percent of the commingled production shall be allocated to the Atoka zone and 70 percent of the commingled production shall be allocated to the Morrow zone.
  - (3) That 100 percent of the commingled production shall be charged against the well's gas allowable for the Morrow zone.
  - (4) That the operator of the subject well shall immediately notify the Commission's Artesia 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.
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(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

I. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



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

S E A L

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