

Entered March 11, 1975
A.L.O.

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. 5421
Order No. R-4972

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 February 19, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 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, Texaco Inc., is the owner and operator of the G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, which well was originally completed as a quintuple completion (tubingless) to produce oil from the Tubb-Drinkard, Devonian, Fusselman, McKee, and Waddell formations through five strings of 2 3/8-inch and 2 7/8-inch casing cemented in a common wellbore.

(3) That applicant seeks authority to recompleete said well in such a manner as to flow oil and gas from the Blinbry formation through the former Devonian and Waddell casing strings, to pump commingled oil from the Tubb-Drinkard and Fusselman formations through the former McKee casing string, and to vent gas from the Tubb-Drinkard and Fusselman formations through the former Tubb-Drinkard and Fusselman casing strings.

(4) That the mechanics of the proposed recompletion of the subject well are feasible and in accord with good conservation practices.

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

(6) That from the Fusselman formation said well is capable of marginal production only.

(7) That the proposed commingling of Tubb-Drinkard and Fusselman production may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) That the reservoir characteristics of each of the commingled zones are such that underground waste would not be caused by the proposed commingling provided that the casing string producing the commingled zones 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 said casing string is shut-in for 7 consecutive days.

(10) That upon recompletion of the subject well as proposed herein, the applicant should discuss the prior rate of production and the new rate of production with the supervisor of the Hobbs district office of the Commission in order to allocate the commingled production to each of the commingled zones in the subject well.

(11) That any authority for downhole commingling should be rescinded if other than low marginal and marginal production as described in Findings (5) and (6), respectively, is obtained.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to recomplete its G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to flow oil and gas from the Blinbry formation through the former Devonian and Waddell casing strings, to pump commingled oil from the Tubb-Drinkard and Fusselman formations through the former McKee casing string, and to vent gas from the Tubb-Drinkard and Fusselman formations through the former Tubb-Drinkard and Fusselman casing strings.

PROVIDED HOWEVER, that the applicant should complete, operate, and produce the subject well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with the provisions of this order.

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PROVIDED FURTHER, that the applicant shall take zone-segregation tests upon completion and annually thereafter during the annual Gas-Oil Ratio Test Period for the North Justis Fusselman Pool.

PROVIDED FURTHER, 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.

(2) That upon completion the applicant should consult with the supervisor of the Hobbs district office of the Commission to allocate the commingled production to each of the commingled zones in the subject well.

PROVIDED HOWEVER, that the authority for downhole commingling herein granted shall be rescinded if other than the low marginal and marginal production as described in Findings (5) and (6), above, is obtained.

(3) 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

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