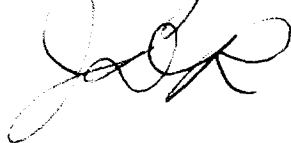


Entered August 12, 1975



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. 5526  
Order No. R-5075

APPLICATION OF AUSTRAL OIL COMPANY  
FOR DOWNHOLE COMMINGLING, SAN JUAN  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 16, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of August, 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, Austral Oil Company, is the owner and operator of the Bunny Well No. 1, located in Unit P of Section 10, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Blanco-Mesaverde and Basin-Dakota production within the wellbore of the above-described well.

(4) That from the Blanco-Mesaverde zone, the subject well is capable of low marginal production only.

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

(6) 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.

(7) 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.



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(8) 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 Aztec district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 66 percent of the commingled gas production should be allocated to the Blanco-Mesaverde zone, and 34 percent of the commingled gas production to the Basin-Dakota zone, and 68 percent of the commingled liquid hydrocarbon production should be allocated to the Blanco-Mesaverde zone, and 32 percent of the commingled liquid hydrocarbon production should be allocated to the Basin-Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Austral Oil Company, is hereby authorized to commingle Blanco-Mesaverde and Basin-Dakota production within the wellbore of its Bunny Well No. 1, located in Unit P of Section 10, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

(2) That 66 percent of the commingled gas production and 68 percent of the commingled liquid hydrocarbon production shall be allocated to the Blanco-Mesaverde zone and 34 percent of the commingled gas production and 32 percent of the commingled liquid hydrocarbon production shall be allocated to the Basin-Dakota zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec 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 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

  
PHIL R. LUCERO, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

jr/

*Entered November 26, 1968*

*R.J.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. 3947  
Order No. R-3593

APPLICATION OF SKELLY OIL COMPANY  
FOR A WATERFLOOD PROJECT, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:30 a.m. on November 20, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 26th day of November, 1968, 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, Skelly Oil Company, seeks permission to institute a pilot waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through its E. L. Steeler Well No. 6, located in Unit J of Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant further seeks an administrative procedure whereby said project could be expanded to include additional lands and injection wells in the area of the said project as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

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Order No. R-3593

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a pilot waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through its E. L. Steeler Well No. 6, located in Unit J of Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the subject waterflood project is hereby designated the Skelly Langlie Mattix Steeler Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Skelly Langlie Mattix Steeler Waterflood Project to include such additional lands and injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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Order No. R-3593

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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

S E A L

esr/