

Entered November 25, 1975
JDR

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. 5587
Order No. R-5128

APPLICATION OF PENNZOIL COMPANY 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 November 19, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of November, 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 Company, is the owner and operator of the Gulf Federal Well No. 2, located in Unit L of Section 6, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That, pursuant to the provisions of Commission Order MC-1978, said well is presently dually completed to produce gas from the Strawn and Morrow formation through parallel strings of tubing with separation of the zones accomplished by means of a packer set at approximately 11,311 feet.

(4) That the applicant proposes to open additional perforations in said well in the Atoka formation and to commingle production from the Atoka and Morrow formations and to produce said commingled production through one string of tubing, and to continue to produce the Strawn formation through the other string of tubing, and to accomplish separation of the Strawn and the combined Atoka-Morrow zones by means of a packer set at approximately 10,800 feet.

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

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(6) That from the Atoka 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.

(8) That the reservoir characteristics of each of the subject zones are such that underground waste will not be caused.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, the applicant should consult with the Supervisor of the Artesia district office of the Commission, and arrive at an allocation formula for the combined Atoka-Morrow stream.

(10) That the Strawn production and the combined Atoka-Morrow production from said well should be metered at the surface and sold separately.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pennzoil Company, is hereby authorized to commingle Morrow and Atoka production within the wellbore of the Gulf Federal Well No. 2, located in Unit L of Section 6, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, and to produce said commingled zones through a single string of tubing, and to produce the Strawn zone in said well through a second string of tubing, accomplishing separation of the Strawn formation from the commingled Atoka-Morrow formations by means of a packer set at approximately 10,800 feet.

(2) That upon completion of the aforesaid work, the applicant shall consult with the Supervisor of the Artesia district office of the Commission and arrive at an allocation formula for determining production from the Atoka zone and from the Morrow zone.

(3) That the applicant shall separately meter at the surface the production from the Strawn formation and the commingled production from the Atoka-Morrow formations.

(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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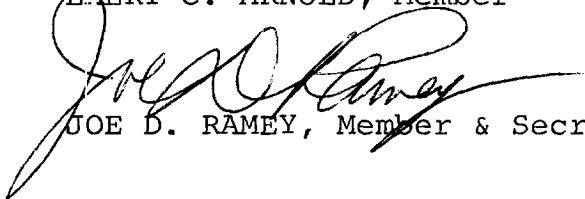
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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