

Entered August 11, 1976

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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. 5703
Order No. R-5254

APPLICATION OF CITIES SERVICE OIL
COMPANY 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 July 7, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of August, 1976, 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, Cities Service Oil Company, is the
owner and operator of the State "S" Well No. 2, located in Unit
F of Section 15, Township 21 South, Range 37 East, NMPM, Lea
County, New Mexico.

(3) That the applicant seeks authority to commingle Tubb
Gas Pool and Drinkard Oil Pool production within the wellbore of
the above-described well.

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

(5) That from the Drinkard 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 Hobb's 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, 85 percent of the commingled gas production should be allocated to the Tubb zone and 15 percent to the Drinkard, and 50 percent of the commingled oil production should be allocated to the Tubb zone and 50 percent to the Drinkard zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to commingle Tubb Gas Pool and Drinkard Oil Pool production within the wellbore of the State "S" Well No. 2, located in Unit F of Section 15, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 85 percent of the commingled gas production shall be allocated to the Tubb zone and 15 percent to the Drinkard, and 50 percent of the commingled oil production shall be allocated to the Tubb zone and 50 percent to the Drinkard zone.

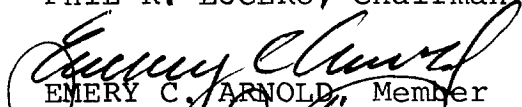
(3) That the operator of the subject well shall immediately notify the Commission's Hobb's district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(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, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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