

Entered June 8, 1977  
JGR

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. 5916  
Order No. R-5453

APPLICATION OF MARATHON 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 May 11, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of June, 1977, 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, Marathon Oil Company, is the owner  
and operator of the McCallister State Well No. 7, located in Unit  
N of Section 25, Township 17 South, Range 34 East, NMPM, Lea  
County, New Mexico.

(3) That the applicant seeks authority to commingle North  
Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian  
production within the wellbore of the above-described well.

(4) That from the North Vacuum-Abo zone, the subject well  
is capable of low marginal production only.

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

(6) That from the Vacuum-Upper Pennsylvanian 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, there-  
by preventing waste, and will not violate correlative rights.

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(8) 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.

(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 the subject well is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 12.5 percent of the commingled production should be allocated to the North Vacuum-Abo zone, 12.5 percent to the Vacuum-Wolfcamp zone, and 75.0 percent to the Vacuum-Upper Pennsylvanian zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Marathon Oil Company, is hereby authorized to commingle North Vacuum-Abo, Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian production within the wellbore of the McCallister State Well No. 7, located in Unit N of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That 12.5 percent of the commingled production shall be allocated to the North Vacuum-Abo zone, and 12.5 percent to the Vacuum-Wolfcamp zone, and 75.0 percent to the Vacuum-Upper Pennsylvanian zone.

(3) 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.

(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 herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

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