

Entered April 11, 1978
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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. 6099
Order No. R-5691

APPLICATION OF SHELL 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 November 30, 1977, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 11th day of April, 1978, 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, Shell Oil Company, is the owner and operator of the Livingston Well No. 10, located in Unit P of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(4) That the Blinebry and Drinkard formations were commingled in the wellbore of said well in November or December of 1970 pursuant to authority granted by Commission Order No. DHC-68 dated September 29, 1970.

(5) That said Order No. DHC-68 allocated production to the Blinebry and Drinkard formation in the subject well on a 50-50 basis, which was a reasonable allocation based on performance of the two zones prior to commingling.

(6) That subsequent to commingling the aforesaid two zones, and after four years of production on a commingled basis, applicant worked the subject well over, and said workover resulted in a substantial increase in the flow of gas from the well but little or no increase in the flow of oil.

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(7) That there is no way that the Commission can determine what the productivity of the Blinebry zone or the Drinkard zone is at this time, nor which zone was more responsive to the work-over.

(8) That to add the Tubb zone to the downhole commingling previously approved would not alleviate the present problem with the subject well, i.e., the inability to properly allocate production, but would aggravate the problem.

(9) That in order to prevent waste and protect correlative rights, it is imperative that a reasonable allocation of production between zones in a commingled well be made.

(10) That the bottom hole pressure for the presently commingled Blinebry-Drinkard zones in the subject well is 756 psig at a datum of 6,450 feet.

(11) That the bottom hole pressure for the Tubb zone in the subject well is 1814 psig at a datum of 6,000 feet.

(12) That the pressure differential between the commingled Blinebry-Drinkard zones and the Tubb zone is excessive, being more than 1,000 pounds, and could cause cross flow between the zones, resulting in waste.

(13) That to allow the commingling of the Blinebry, Drinkard and Tubb zones in the subject well would not afford adequate protection of correlative rights, might cause waste, and is otherwise not in the best interests of oil and gas conservation.

(14) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Shell Oil Company to commingle Blinebry, Drinkard, and Tubb production in the wellbore of its Livingston Well No. 10, located in Unit P of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Oil Conservation Division of the New Mexico Energy and Minerals Department may deem necessary.

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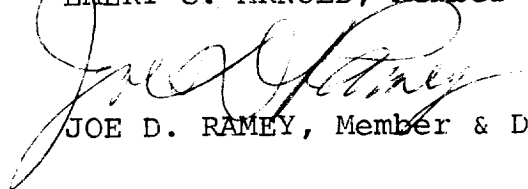
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Division Director

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