

Entered September 10, 1979
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6603
Order No. R-6102

APPLICATION OF CONOCO INC.
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

Now, on this 10th day of September, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Conoco Inc., is the owner and operator of the Hawk B-1 Well No. 12, located in Unit O of Section 8, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Penrose Skelly and Eumont production within the wellbore of the above-described well.

(4) That during the course of treatment of the well, the stratum separating the Penrose Skelly and Eumont zones was fractured resulting in the communication of the two zones behind the casing.

(5) That while the communication of said zones behind the casing could be cured by a cement squeeze operation, the applicant fears that the low pressure Eumont gas zone might be permanently lost thereby.

(6) That permitting the Penrose Skelly oil and the Eumont gas zone to be commingled behind the casing could result in the wetting of "dry" gas sands with oil from the Penrose Skelly zone and the irretrievable loss and waste thereof.

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(7) That to prevent waste the subject application should be denied.

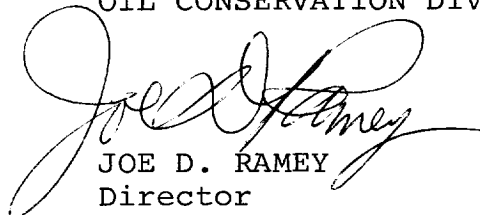
IT IS THEREFORE ORDERED:

(1) That the application of Conoco Inc. to commingle Penrose Skelly oil production and Eumont gas production within the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, 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 Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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