

Entered October 18, 1979

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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. 6678
Order No. R-6156

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR DOWNHOLE COMMINGLING
AND A SPECIAL CASINGHEAD GAS ALLOWABLE,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 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, Texas Pacific Oil Company, Inc.,
is the owner and operator of the Eva Owens Well No. 1, located
in Unit M of Section 25, Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.

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

(4) That the applicant requested dismissal of that part
of this case seeking an increase in the casinghead gas allowable
for said well, and said portion of the case should be dismissed.

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

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(6) That from the Tubb 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 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 Division 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 Division 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, 90 percent and 81 percent of the commingled gas and oil production, respectively, should be allocated to the Blinebry zone, and 10 percent and 19 percent of the commingled gas and oil production, respectively, to the Tubb zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil Company, Inc., is hereby authorized to commingle Blinebry and Tubb production within the wellbore of the Eva Owens Well No. 1, located in Unit M of Section 25, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 90 percent and 81 percent of the commingled gas and oil production, respectively, shall be allocated to the Blinebry zone and 10 percent and 19 percent of the commingled gas and oil production, respectively, shall be allocated to the Tubb zone.

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

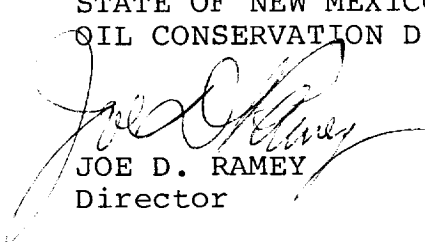
(4) That the application for a special casinghead gas allowable is hereby dismissed.

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(5) 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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