

Entered November 2, 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. 6631
Order No. R-6173

APPLICATION OF RESERVE OIL, 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 October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 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, Reserve Oil, Inc., is the owner and operator of the Cooper Jal Unit Well No. 149-306, located in Unit J of Section 18, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(4) That the Jalmat zone of the subject well frequently loads up with water and dies.

(5) That with the tubing configuration in the wellbore, including a vent string for the Langlie Mattix zone, it is impracticable to pump the fluids off the Jalmat zone to maintain production.

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(6) That from the Jalmat zone, the subject well, even when on production, is capable of low marginal production only.

(7) That from the Langlie Mattix zone, the subject well is capable of low marginal production only.

(8) 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.

(9) 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.

(10) 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.

(11) That in order to allocate the commingled production to each of the commingled zones in the subject well, 75 percent of the commingled gas production should be allocated to the Jalmat zone, and 25 percent of the commingled gas production and all of the oil production to the Langlie Mattix zone.

(12) That the number of the subject well should be changed, because to call the well the Cooper Jal Unit Well No. 149 in the Langlie Mattix Pool and the Cooper Jal Unit Well No. 306 in the Jalmat Gas Pool causes confusion.

IT IS THEREFORE ORDERED:

(1) That the applicant, Reserve Oil, Inc., is hereby authorized to commingle Jalmat and Langlie Mattix production within the wellbore of the Cooper Jal Unit Well No. 149-306, located in Unit J of Section 18, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 75 percent of the commingled gas production shall be allocated to the Jalmat zone and 25 percent of the commingled gas production and all of the oil production shall be allocated to the Langlie Mattix zone.

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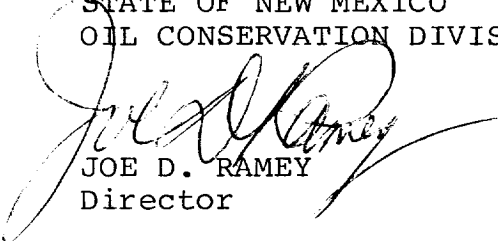
(3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That the operator shall renumber the subject well in accordance with Division regulations.

(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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