

Entered January 3, 1983
JAL/v

7

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. 7737
Order No. R-7159

APPLICATION OF PETRO-LEWIS CORPORATION
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 November 23, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of January, 1983, 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, Petro-Lewis Corporation, is the owner and operator of the Art Yeager Well No. 1, located in Unit J of Section 25, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

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

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

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

(6) That from the Blinebry 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

-2-

Case No. 7737
Order No. R-7159

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, 41 percent of the commingled production should be allocated to the Abo zone, 4 percent of the commingled production to the Drinkard zone, and 55 percent of the commingled production should be allocated to the Blinebry zone.

(11) That Administrative Order No. DHC-73 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petro-Lewis Corporation, is hereby authorized to commingle Abo, Drinkard and Blinebry production within the wellbore of the Art Yeager Well No. 1, located in Unit J of Section 25, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 41 percent of the commingled production shall be allocated to the Abo zone, 4 percent of the commingled production shall be allocated to the Drinkard zone, and 55 percent of the commingled production shall be allocated to the Blinebry 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 Division Administrative Order No. DHC-73 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 7737
Order No. R-7159

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

S E A L