

Entered July 13, 1983  
DAR

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. 7827  
Order No. R-7316

APPLICATION OF MILLARD DECK ESTATE  
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 March 30, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 13th day of July, 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, Millard Deck Estate, is the owner and operator of the Possh Well No. 1 located in the NE/4 NW/4, the Possh Well No. 3 located in the NE/4 SW/4, and the Possh Well No. 4 located in the NW/4 NE/4, all in Section 36, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Langlie-Mattix Pool and Jalmat Gas Pool production within the wellbores of the above-described wells.
- (4) The subject wells currently are classified as oil wells in the Langlie-Mattix Pool and produce oil, water and casinghead gas.
- (5) That the ownership in both pools in each of the subject wells is common.
- (6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject

-2-

Case No. 7827

Order No. R-7316

pools, thereby preventing waste, and will not violate correlative rights.

(7) That for each well, the applicant shall obtain bottom-hole pressure data in the Langlie-Mattix Pool and that the applicant shall then isolate the Langlie-Mattix Pool and obtain bottom-hole pressure data for the Jalmat Gas Pool.

(8) That if the pressure information for any of the subject wells shows that the higher pressure pool is no more than twice the pressure of the lower pressure pool, adjusted for depth, and if the combined production of both pools from each of the subject wells shall not exceed a gas-oil ratio of 100,000 to 1, and if the combined water production from each well does not exceed 250 barrels of water per day, then applicant shall be permitted to produce the commingled production from the subject wells.

(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 that any of the subject wells is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled oil and gas production to each of the commingled zones in the wells, applicant should submit data to and consult with the supervisor of the Hobbs district office of the Division and determine an allocation formula for each of the production zones in each of the subject wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, Millard Deck Estate, is hereby authorized to commingle Langlie-Mattix Pool and Jalmat Gas Pool production within the wellbores of the Possh Well No. 1, located in the NE/4 NW/4, the Possh Well No. 3, located in the NE/4 SW/4, and Possh Well No. 4, located in the NW/4 NE/4, all located in Section 36, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico;

PROVIDED HOWEVER, that the commingling authority granted by this order shall apply only if the bottom-hole pressure of the higher pressured pool, adjusted for depth, is no greater than twice the pressure of the lower pressured pool as determined by actual test;

PROVIDED FURTHER, that the combined water production from any well to be commingled does not exceed 250 barrels of water per day, and;

-3-

Case No. 7827

Order No. R-7316

PROVIDED FURTHER, that the combined production from any well to be commingled shall not exceed a gas-oil ratio of 100,000 to 1.

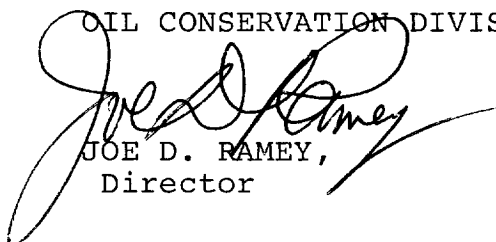
(2) That the applicant shall submit data and consult with the Supervisor of the Hobbs district office of the Division and determine an allocation formula for the allocation of the oil and gas production to each zone in each of the subject wells.

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

(4) 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

S E A L