

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. 8847
Order No. R-8326

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 5, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 30th day of October, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Nearburg Producing Company, is the owner and operator of the Osage-Boyd Com Well No. 1, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 15, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.
- (3) The applicant seeks authority to commingle Atoka and Morrow production within the wellbore of the above-described well.
- (4) 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.
- (5) 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.

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(6) To afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Artesia district office of the Division any time the subject well is shut-in for 7 consecutive days.

(7) In order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Nearburg Producing Company, is hereby authorized to commingle Atoka and Morrow production within the wellbore of the Osage-Boyd Com Well No. 1, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 15, Township 19 South, Range 25 East, NMPPM, Eddy County, New Mexico.


(2) The applicant shall consult with the Supervisor of the Artesia District Office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

(3) The operator of the subject well shall immediately notify the Division's Artesia 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) 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


R. L. STAMETS,
Director

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