

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9647
ORDER NO. R-8918

APPLICATION OF PARKER & PARSLEY
PETROLEUM 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 April 12, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of April, 1989, 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, Parker & Parsley Petroleum Company, is the owner and operator of the Pardue Farms "27" Btry. 1 Well No. 4, located 660 feet from the South and East lines (Unit P) of Section 27, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) The applicant seeks authority to commingle oil production from the Undesignated East Loving-Delaware Pool and the South Culebra Bluff-Bone Spring Pool within the wellbore of the above-described well.

(4) From each of the zones the subject well is capable of low marginal production only.

(5) Evidence presented in this case indicates that the proposed commingling will result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste and will not violate correlative rights.

(6) 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 of time.

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(7) To afford the Division the opportunity to assess the potential for waste and to expeditiously order the 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.

(8) Allocation of the commingled production from the subject well should be as follows:

<u>POOL</u>	<u>OIL</u>	<u>GAS</u>
Undesignated East Loving-Delaware	97%	92%
South Culebra Bluff-Bone Spring	3%	8%

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Parker & Parsley Petroleum Company, is hereby authorized to commingle oil production from the Undesignated East Loving-Delaware Pool and the South Culebra Bluff-Bone Spring Pool within the wellbore of its Pardue Farms "27" Btry. 1 Well No. 4, located 660 feet from the South and East lines (Unit P) of Section 27, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) Allocation of the commingled production from the subject well shall be as follows:

<u>POOL</u>	<u>OIL</u>	<u>GAS</u>
Undesignated East Loving-Delaware	97%	92%
South Culebra Bluff-Bone Spring	3%	8%

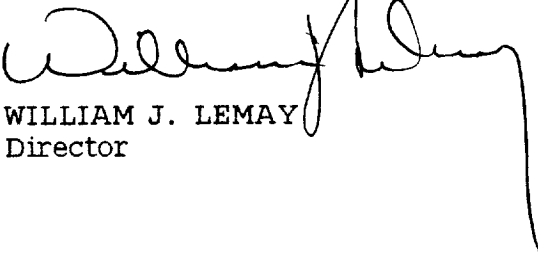
(3) The operator of the subject well shall immediately notify the Division's Artesia district office any time the well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

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OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

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