

**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. 12215
Order No. R-11241*

**APPLICATION OF ANADARKO PETROLEUM CORPORATION FOR
DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 5, 1999, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of September, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Anadarko Petroleum Corporation, seeks authority to downhole commingle Penrose Skelly-Grayburg and Southwest Eunice-San Andres Pool production within its E. W. Walden Well No. 12 (API No. 30-025-27756) located 2250 feet from the North line and 1350 feet from the West line (Unit F) of Section 15, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The applicant presented evidence indicating that:

- a) the E. W. Walden Well No. 12 is currently capable of marginal production only from both the Penrose Skelly-Grayburg and Southwest Eunice-San Andres Pools;
- b) none of the commingled zones exposes the others to damage by produced liquids;
- c) the fluids from each of the zones are compatible with the others; and
- d) the value of the commingled production will not be decreased by commingling.

(4) The applicant’s evidence further indicates that the commingling of the Grayburg and San Andres producing intervals within the E. W. Walden Well No. 12 is necessary to economically recover the oil and gas reserves in these formations which may otherwise not be recovered.

(5) The interest ownership between the zones to be commingled is common.

(6) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(7) The proposed downhole commingling will result in the recovery of oil and gas reserves which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(8) Assignment of allowable to the well and allocation of production from the well should be on the following basis:

<u>Pool</u>	<u>Oil</u>	<u>Gas</u>
Penrose Skelly-Grayburg Pool	4%	7%
Southwest Eunice-San Andres Pool	96%	93%

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Anadarko Petroleum Corporation, is hereby authorized to downhole commingle Penrose Skelly-Grayburg and Southwest Eunice-San Andres Pool production within its E. W. Walden Well No. 12 (API No. 30-025-27756) located 2250 feet from the North line and 1350 feet from the West line (Unit F) of Section 15, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

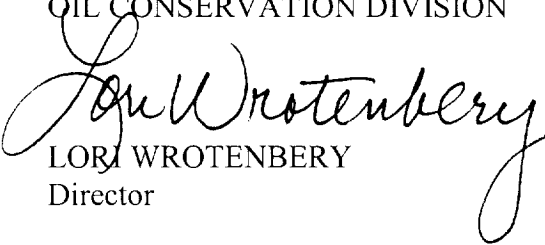
(2) Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

<u>Pool</u>	<u>Oil</u>	<u>Gas</u>
Penrose Skelly-Grayburg Pool	4%	7%
Southwest Eunice-San Andres Pool	96%	93%

(3) Jurisdiction is hereby 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


LORI WROTENBERY
Director



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