Entered Murch 13, 1968

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3734 Order No. R-3387

APPLICATION OF GETTY OIL COMPANY FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 6, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>13th</u> day of March, 1968, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Getty Oil Company, is the owner and operator of the State "B" Well No. 1, located in Unit H of Section 14, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That said well is now completed as a low marginal pumping well in the Hobbs Grayburg-San Andres Pool with perforations from 4158 feet to 4168 feet.

(4) That prior to completion in the Hobbs Grayburg-San Andres Pool there was low marginal production from the Bowers-Seven Rivers Pool through perforations from 3345 feet to 3374 feet.

(5) That the applicant proposes to produce and to commingle in the well-bore the low marginal production from the aforesaid pools. -2-CASE No. 3734 Order No. R-3387

(6) That the Hobbs Grayburg-San Andres zone in the subject well, if produced separately to depletion, is at or near the end of its economic life.

(7) That the proposed commingling will substantially extend the productive life of the Hobbs Grayburg-San Andres Pool in the subject well.

(8) That the reservoir characteristics of each of the two zones are such that underground waste would not be caused by the proposed commingling in the well-bore.

(9) That the proposed commingling will result in the recovery of additional oil from both of the subject pools, thereby preventing waste, and will not violate correlative rights.

(10) That production tests should be conducted, prior to commingling, to determine the production from each zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Getty Oil Company, is hereby authorized to complete its State "B" Well No. 1, located in Unit H of Section 14, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Bowers-Seven Rivers Pool through perforations from 3345 feet to 3374 feet and from the Hobbs Grayburg-San Andres Pool through perforations from 4158 feet to 4168 feet, commingling the production from each of said zones in the well-bore;

<u>PROVIDED HOWEVER</u>, that the applicant shall conduct a 24-hour production test, prior to commingling, of the Hobbs Grayburg-San Andres Pool; a 24-hour production test, subsequent to commingling, of the combined production of the subject zones; and that future production shall be allocated to the Bowers-Seven Rivers and Hobbs Grayburg-San Andres zones of the subject well in the proportion that the production from each zone bears to the combined production from both zones until further order of the Commission;

<u>PROVIDED FURTHER</u>, that commingling in the well-bore shall continue only so long as the commingled producing capacity does not exceed the top unit allowable for either of the zones in the subject well. -3-CASE No. 3734 Order No. R-3387

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

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

STATE OF NEW MEXICO OLL CONSERVATION COMMISSION DAVID F. CARGO, Chairman X8, Member de 7 GUYTON B. HA ener, X

A. L. PORTER, Jr., Member & Secretary

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