Entered (19, 1970) Q.J.D

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. 4319 Order No. R-3946

APPLICATION OF TEXACO INC. 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 25, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>17th</u> day of April, 1970, 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, Texaco Inc., is the owner and operator of the New Mexico "Q" State Well No. 4 and the New Mexico "N" State Well No. 6, located, respectively, in Unit P of Section 25, Township 17 South, Range 34 East, and Unit L of Section 30, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That pursuant to authority granted by Administrative Orders MC-1420 and MC-1515-A said Wells Nos. 4 and 6 were completed by the applicant as triple completions (tubingless) to produce, respectively, oil from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools, and the Vacuum-Glorieta, North Vacuum-Abo, and Vacuum-Wolfcamp Pools.

(4) That the North Vacuum-Abo and Vacuum-Wolfcamp zones in each of the subject wells are capable of only low marginal production.

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(5) That the applicant now proposes to complete said Well No. 4 in such a manner as to produce oil from the Vacuum-Upper Pennsylvanian Pool through one string of 2 7/8-inch casing and to produce the low marginal production from the North Vacuum-Abo and Vacuum-Wolfcamp Pools through a single parallel string of 2 7/8-inch casing, commingling in the well-bore the production from the North Vacuum-Abo and Vacuum-Wolfcamp zones.

(6) That the applicant now proposes to complete said Well No. 6 in such a manner as to produce oil from the Vacuum-Glorieta Pool through one string of 2 7/8-inch casing and to produce the low marginal production from the North Vacuum-Abo and Vacuum-Wolfcamp Pools through a single parallel string of 2 7/8-inch casing, commingling in the well-bore the production from the North Vacuum-Abo and Vacuum-Wolfcamp zones.

(7) That the proposed commingling in each of the subject wells of the North Vacuum-Abo and Vacuum-Wolfcamp zones may substantially extend the productive lives of said zones in each of the wells.

(8) That the reservoir characteristics of the North Vacuum-Abo and Vacuum-Wolfcamp zones in the subject wells are such that underground waste would not be caused by the proposed commingling in the well-bores.

(9) That the proposed commingling may result in the recovery of additional oil from each of the commingled zones in the subject wells, thereby preventing waste, and will not violate correlative rights.

(10) That the mechanics of the proposed completions are feasible and in accord with good conservation practices.

(11) That in order to allocate the commingled production to each of the commingled zones in New Mexico "Q" State Well No. 4, approximately 30% of the future allowable and production should be attributed to the Abo zone, and approximately 70% to the Wolfcamp zone.

That in order to allocate the commingled production to each of the commingled zones in New Mexico "N" State Well No. 6, approximately 10% of the future allowable and production should be attributed to the Abo zone, and approximately 90% to the Wolfcamp zone. -3-CASE No. 4319 Order No. R-3946

(12) That approval of the subject application will prevent waste and protect correlative rights.

(13) That Administrative Orders MC-1420, MC-1515-A, DHC-11, and DHC-35 should be superseded.

## IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its New Mexico "Q" State Well No. 4, located in Unit P of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Vacuum-Upper Pennsylvanian Pool through one string of 2 7/8-inch casing and to produce oil from the North Vacuum-Abo and Vacuum-Wolfcamp Pools through a single parallel string of 2 7/8-inch casing, commingling in the well-bore the production from the North Vacuum-Abo and Vacuum-Wolfcamp Pools.

(2) That the applicant is hereby authorized to complete its New Mexico "N" State Well No. 6, located in Unit L of Section 30, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Vacuum-Glorieta Pool through one string of 2 7/8-inch casing and to produce oil from the North Vacuum-Abo and Vacuum-Wolfcamp Pools through a single parallel string of 2 7/8-inch casing, commingling in the well-bore the production from the North Vacuum-Abo and Vacuum-Wolfcamp Pools.

(3) That the applicant shall complete, operate, and produce said wells in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(4) That approximately 30% of the future allowable and production for the commingled zones shall be attributed to the Abo zone and approximately 70% to the Wolfcamp zone of the New Mexico "Q" State Well No. 4 until further order of the Commission.

That approximately 10% of the future allowable and production for the commingled zones shall be attributed to the Abo zone and approximately 90% to the Wolfcamp zone of the New Mexico "N" State Well No. 6 until further order of the Commission. -4-CASE No. 4319 Order No. R-3946

(5) That the commingling in the well-bores authorized by this order shall continue only so long as the commingled production of the two zones does not exceed 80 barrels of oil per day nor 160 barrels of water per day in said Well No. 4 and 70 barrels of oil per day nor 140 barrels of water per day in said Well No. 6.

(6) That the maximum amount of gas which may be produced daily from the commingled zones in each of the subject wells shall be determined by multiplying 2,000 by the top unit allowable for the North Vacuum-Abo Pool.

(7) That Administrative Orders MC-1420, MC-1515-A, DHC-11, and DHC-35 are hereby superseded.

(8) 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 OIL CONSERVATION COMMISSION DAVID F. CARGO, Chairman ÷, į. . . . . . . . . . . . . 66

ALEX J. ARMIJ Member

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

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