

*Entered April 17, 1970
A.S.P.*

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. 4322
Order No. R-3947

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 17th 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 Shell State Well No. 1, located in Unit J of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) That pursuant to authority granted by Administrative Order MC-1493 said Well No. 1 was completed by the applicant as a triple completion (tubingless) to produce oil from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools.
- (4) That the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones in the subject well are capable of only low marginal production.
- (5) That the applicant now proposes to complete said Well No. 1 in such a manner as to produce oil from the North Vacuum-Abo

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Pool through one string of 2 7/8-inch casing and to produce the low marginal production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools through a single parallel string of 2 7/8-inch casing, commingling in the well-bore the production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones.

(6) That the proposed commingling in the subject well of the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones may substantially extend the productive lives of said zones in the subject well.

(7) That the reservoir characteristics of the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones in the subject well are such that underground waste would not be caused by the proposed commingling in the well-bore.

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

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

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, approximately 60% of the future allowable and production should be attributed to the Vacuum-Wolfcamp zone, and 40% to the Vacuum-Upper Pennsylvanian zone.

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

(12) That Administrative Orders MC-1493 and DHC-38 should be superseded.

IT IS THEREFORE ORDERED:

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

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casing, commingling in the well-bore the production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools.

(2) That the applicant shall complete, operate, and produce said well 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.

(3) That approximately 60% of the future allowable and production shall be attributed to the Vacuum-Wolfcamp zone and approximately 40% to the Vacuum-Upper Pennsylvanian zone of the subject well until further order of the Commission.

(4) That the commingling in the well-bore 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.

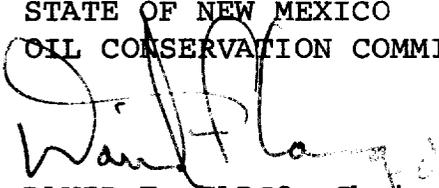
(5) That the maximum amount of gas which may be produced daily from the commingled zones in the subject well shall be determined by multiplying 2,000 by the top unit allowable for the Vacuum-Wolfcamp Pool.

(6) That Administrative Orders MC-1493 and DHC-38 are hereby superseded.

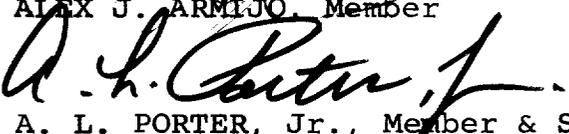
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

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