

Entered August 25, 1970
A.P.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. 4399
Order No. R-4023

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR DOWN-HOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 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, Pan American Petroleum Corporation, is the owner and operator of the Southland Royalty "A" Well No. 8, located in Unit W of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That pursuant to authority granted by Order No. R-2465, the subject well was completed by the applicant as a triple completion (conventional) to produce oil from the Blinebry, Tubb, and Drinkard Pools through parallel strings of tubing, with separation of zones by packers set at approximately 6079 and 6400 feet.

(4) That each of said zones is now capable of only low marginal production.

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(5) That the applicant now proposes to remove said packers and complete the well in such a manner as to produce the low marginal oil production from the subject pools through a single string of tubing, commingling in the well-bore the production from each of the subject zones.

(6) That the proposed commingling in the subject well of the Blinebry, Tubb, and Drinkard zones may substantially extend the productive lives of said zones in the well.

(7) That the reservoir characteristics of the Blinebry, Tubb, and Drinkard 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 25% of the future allowable and production should be attributed to the Blinebry zone, 25% to the Tubb zone, and 50% to the Drinkard zone.

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

(12) That Order No. R-2465 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to complete its Southland Royalty "A" Well No. 8, located in Unit W of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Blinebry, Tubb, and Drinkard Pools through a single string of tubing, commingling in the well-bore the production from each of said pools.

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(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 25% of the future allowable and production shall be attributed to the Blinebry zone, approximately 25% to the Tubb zone, and approximately 50% to the Drinkard 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 three zones does not exceed 40 barrels of oil per day nor 80 barrels of water per day.

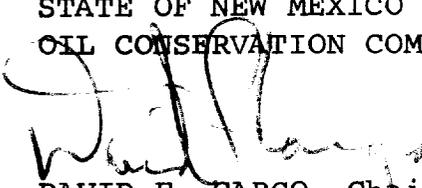
(5) That the maximum amount of gas which may be produced daily from the commingled zones in the subject well shall be determined by multiplying 2,000 by the top unit allowable for the Blinebry Pool.

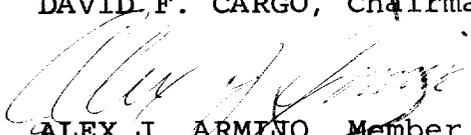
(6) That Order No. R-2465 is hereby superseded.

(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. ARMILLO, Member


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

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