

Entered April 11, 1972
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. 4690
Order No. R-4289

APPLICATION OF SHELL 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 April 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of April, 1972, 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, Shell Oil Company, is the owner and operator of the Antelope Ridge Well No. 2, a dual completion, located in Unit B of Section 4, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) That pursuant to authority granted by Order No. R-2787 the subject well was completed as a dual completion (conventional) to produce gas from the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian Gas Pools.
- (4) That communication between the two zones developed in the Fall of 1971.
- (5) That the applicant has made diligent efforts to repair the well.
- (6) That during the efforts to repair the well a new high pressure zone in the Morrow formation was opened to the well-bore which makes workover attempts extremely hazardous.
- (7) That the new high pressure Morrow zone is believed to be of limited extent.

(8) That the applicant should be allowed to produce the well, commingling in the well-bore the production from the Devonian and Morrow zones, for one year or until such time as gas pressures have decreased to such an extent that the well can be safely repaired, whichever occurs first.

(9) That the applicant proposes to allocate production to each of the commingled zones upon the basis of the H₂S content of the commingled stream as compared to the H₂S content of the Devonian gas from its Antelope Ridge Well No. 3 located in Unit K of Section 34, Township 23 South, Range 34 East.

(10) That the reservoir characteristics of the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian zones in the subject well are such that underground waste would not be caused by the proposed commingling in the well-bore.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to produce its Antelope Ridge Well No. 2, located in Unit B of Section 4, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, in such a manner as to produce gas from the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian Gas Pools, commingling in the well-bore the production from said zones.

PROVIDED HOWEVER, that the operator shall so produce the subject well for a period of one year or until such time as gas pressures have decreased to such an extent that the well can be safely repaired, whichever occurs first.

(2) That the commingled production shall be allocated to the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian zones upon the basis of the H₂S content of the commingled stream as compared to the H₂S content of the Devonian gas from its Antelope Ridge Well No. 3 located in Unit K of Section 34, Township 23 South, Range 34 East, NMPM, as determined by gas analyses conducted at least once each month.

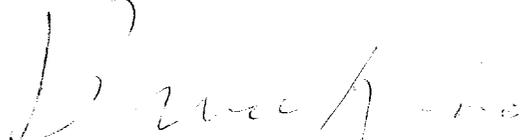
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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