Entered July 1, 1910 OFP.

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. 4727 Order No. R-4333

APPLICATION OF HARPER OIL COMPANY FOR DOWNHOLE COM-MINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>7th</u> day of July, 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, Harper Oil Company, is the owner and operator of the S. J. Sarkey Well No. 2, located in Unit H of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That pursuant to authority granted by Administrative Order MC-1705, said Well No. 2 was completed by the applicant as a triple completion (conventional) to produce oil from the Blinebry, Drinkard, and Wantz-Abo Pools.

(4) That each of the three zones in the subject well is capable of only low marginal production.

(5) That communication has developed between the Drinkard and Abo zones in the subject well through a leak in the packer separating the two zones.

(6) That the applicant now proposes to complete said well No. 2 in such a manner as to produce oil from the Blinebry Pool through one string of 2 1/16-inch tubing and to produce the low marginal production from the Drinkard and Wantz-Abo Pools through a parallel string of tubing, commingling in the well-bore the production from the Drinkard and Wantz-Abo zones. -2-CASE NO. 4727 Order No. R-4333

(7) That the proposed commingling in the subject well of the Drinkard and Abo zones may substantially extend the productive lives of said zones in the subject well.

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

(9) 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.

(10) That the mechanics of the proposed completion 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 the subject well, approximately 60% of the future oil allowable and production should be attributed to the Drinkard zone, and 40% to the Wantz-Abo zone; and that approximately 33% of the future casinghead gas production shall be attributed to the Drinkard zone and approximately 67% to the Wantz-Abo zone.

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

(13) That Administrative Order MC-1705 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Harper Oil Company, is hereby authorized to complete its S. J. Sarkey Well No. 2, located in Unit H of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Blinebry Pool through one string of 2 1/16-inch tubing and to produce oil from the Drinkard and Wantz-Abo Pools through a parallel string of tubing commingling in the well-bore the production from the Drinkard and Wantz-Abo 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 oil allowable and production shall be attributed to the Drinkard zone and approximately 40% to the Wantz-Abo zone of the subject well until further order of the Commission; that approximately 33% of the future casinghead gas production shall be attributed to the Drinkard zone and approximately 67% to the Wantz-Abo zone of the subject well until further order of the Commission. -3-CASE NO. 4727 Order No. R-4333

(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 Wantz-Abo Pool.

(6) That Administrative Order MC-1705 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 **GONSERVATION COMMISSION** BRUCE KING. Chairman

ALEX Л. ÁRMI Member

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

SEAL