

Entered November 1, 1974
A.H.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. 5346
Order No. R-4912

APPLICATION OF CONTINENTAL 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 October 16, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of November, 1974, 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, Continental Oil Company, is the owner and operator of the Warren Unit Well No. 11, located in Unit A of Section 35, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Blinebry and East Warren-Drinkard production within the wellbore of the above-described well.

(4) That from the Blinebry zone, the subject well is capable of marginal production only.

(5) That from the East Warren-Drinkard zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That additional testing of the Blinebry zone should be required before establishment of a formula for the allocation of the commingled production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle Blinebry and East Warren-Drinkard production within the wellbore of the Warren Unit Well No. 11, located in Unit A of Section 35, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that the operator shall continue to test the Blinebry zone for 90 days, filing the results of such testing with the Santa Fe office of the Commission;

PROVIDED FURTHER, that the Secretary-Director of the Commission may, thereafter, establish a formula for the allocation of the commingled production to the two zones or, if the results of the testing required above should prove inconclusive, require additional testing before establishing such formula.

(2) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(3) 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


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, Jr, Member & Secretary

S E A L
jr/