

Entered August 31, 1976
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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. 5726
Order No. R-5276

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 4, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of August, 1976, 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, Cities Service Oil Company, is the owner and operator of the State CT Well No. 1, located in Unit I of Section 16, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant seeks authority to commingle North Burton Flats-Wolfcamp Gas Pool and undesignated Canyon pool production within the wellbore of the above-described well.
- (4) That from the North Burton Flats-Wolfcamp zone, the subject well is capable of low marginal production only.
- (5) That from the undesignated Canyon 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.

-2-

Case No. 5726
Order No. R-5276

(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 Artesia district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 27 percent of the commingled gas production and 80 percent of the commingled distillate production should be allocated to the North Burton Flats-Wolfcamp zone, and 73 percent of the commingled gas and 20 percent of the distillate production to the undesignated Canyon zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to commingle North Burton Flats-Wolfcamp and undesignated Canyon pool production within the wellbore of the State CT Well No. 1, located in Unit I of Section 16, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That 27 percent of the commingled gas production and 80 percent of the commingled distillate production shall be allocated to the North Burton Flats-Wolfcamp zone and 73 percent of the commingled gas production and 20 percent of the distillate shall be allocated to the undesignated Canyon zone.

(3) That the operator of the subject well shall immediately notify the Commission's Artesia 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.

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

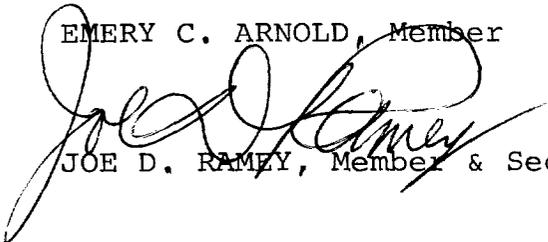
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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