

Entered June 28, 1977  
JLR

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. 5968  
Order No. R-5482

APPLICATION OF SUN 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 June 22, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of June, 1977, 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, Sun Oil Company, is the owner and  
operator of the Elliott A Well No. 2 located in Unit H of  
Section 21, Township 21 South, Range 37 East, NMPM, Lea County,  
New Mexico.

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

(4) That from the Drinkard zone, the subject well is  
capable of low rates of production only.

(5) That from the Tubb zone, the subject well is capable  
of low rates of production only.

(6) That the production tubing should be set within 100  
feet of the Drinkard perforations.



-2-

Case No. 5968  
Order No. R-5482

(7) 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.

(8) 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.

(9) 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.

(10) That in order to allocate the commingled production to each of the commingled zones in said well, applicant should consult with the supervisor of the Hobbs District Office of the Commission and determine an allocation formula for each of the production zones.

(11) That Commission Administrative Order No. DC-77, which previously authorized the dual completion of said well, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Oil Company, is hereby authorized to commingle Drinkard and Tubb production within the wellbore of the Elliott A Well No. 2 located in Unit H of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that production tubing shall be set within 100 feet of the Drinkard perforations.

(2) That the applicant shall consult with the Supervisor of the Hobbs District Office of the Commission and determine an allocation formula for the allocation of production to each zone in the subject well.

(3) 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.

(4) That Commission Administrative Order No. DC-77 is hereby superseded.

-3-

Case No. 5968  
Order No. R-5482

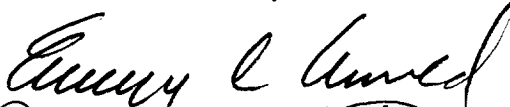
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

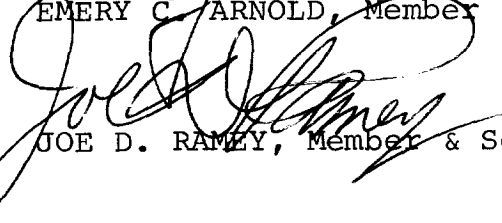
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMSEY, Member & Secretary

S E A L

dr/