

Entered September 6, 1977
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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. 6023
Order No. R-5529

APPLICATION OF INEXCO OIL COMPANY
FOR DOWNHOLE COMMINGLING AND A TUBING
EXCEPTION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of September, 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, Inexco Oil Company, is the owner and operator of the Federal 10 State Com Well No. 1, located in Unit L of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

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

(4) That the applicant further seeks an exception to Commission Rule 107 (d) to permit setting tubing 374 feet above the uppermost perforation in said well.

(5) That from the Upper Penn zone, the subject well is capable of low marginal production only.

(6) That from the Strawn zone, the subject well is capable of low marginal production only.

(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.

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(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 Artesia 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 the subject well, 18 percent of the commingled production should be allocated to the Upper Penn zone, and 82 percent of the commingled production to the Strawn zone.

(11) That applicant should be authorized to set the tubing in the subject well at approximately 9082 feet, some 374 feet above the uppermost perforation.

IT IS THEREFORE ORDERED:

(1) That the applicant, Inexco Oil Company, is hereby authorized to commingle Upper Penn and Strawn production within the wellbore of the Federal 10 State Com Well No. 1, located in Unit L of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That 18 percent of the commingled production shall be allocated to the Upper Penn zone and 82 percent of the commingled production shall be allocated to the Strawn 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 the applicant is hereby authorized to set the tubing in the subject well at approximately 9082 feet.

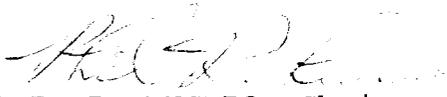
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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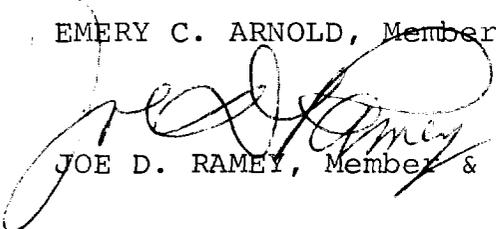
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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