

Entered September 20, 1978
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6300
Order No. R-5811

APPLICATION OF THE PETROLEUM CORPORATION
FOR DOWNHOLE COMMINGLING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 30, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of September, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, The Petroleum Corporation, is the owner and operator of the Parkway West Unit Well No. 1, located in Unit C of Section 28, Township 19 South, Range 29 East, NMPM, West Parkway Field, Eddy County, New Mexico.
- (3) That said well is presently dually completed to produce gas from the Strawn and Atoka formations through two strings of tubing, with supposedly marginal Morrow production sealed off by a bridge plug set at 10,720 feet.
- (4) That the applicant seeks authority to commingle Atoka and Morrow production within the wellbore of the above-described well and to produce this commingled production and the Strawn production through two strings of tubing.
- (5) That from the Atoka zone, the subject well is capable of low marginal production only.

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(6) That from the Morrow zone, the subject well is expected to be 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.

(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 Division 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 Division 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, the operator should conduct such tests as may be necessary to establish the productivity of each of the commingled zones, and should consult with the Artesia Office of the Division to arrive at an allocation formula.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Petroleum Corporation, is hereby authorized to commingle Atoka and Morrow production within the wellbore of the Parkway West Unit Well No. 1, located in Unit C of Section 28, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and to produce this commingled production and the Strawn production through parallel strings of tubing.

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

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

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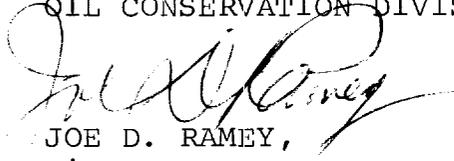
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(4) That the production limitations imposed by Division Order No. R-4638 shall continue to be applicable to the subject well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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