

Entered August 16, 1979
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. 6599
Order No. R-6077

APPLICATION OF GULF OIL CORPORATION
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 25, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of August, 1979, 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, Gulf Oil Corporation, is the
owner and operator of the W. A. Ramsay Well No. 4, located in
Unit M of Section 36, Township 24 South, Range 37 East, NMPM,
Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle
Fusselman and Montoya production within the wellbore of the
above-described well.
- (4) That from the Fusselman zone, the subject well is
capable of low marginal production only.
- (5) That from the Montoya zone, the subject well is capable
of low marginal production only.
- (6) That the proposed commingling may result in the re-
covery of additional hydrocarbons from each of the subject
pools, thereby preventing waste, and will not violate correla-
tive rights.

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(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 Division 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 Division 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, 50 percent of the commingled oil production and 50 percent of the commingled gas production should be allocated to the Fusselman zone, and 50 percent of the commingled production to the Montoya zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle Fusselman and Montoya production within the wellbore of W. A. Ramsay Well No. 4, located in Unit M of Section 36, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

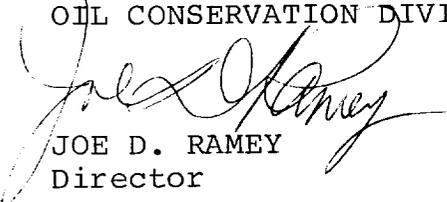
(2) That 50 percent of the commingled oil production and 50 percent of the commingled gas production shall be allocated to the Fusselman zone and 50 percent of the commingled production shall be allocated to the Montoya zone.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs 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.

(4) 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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