

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

**CASE NO. 11363
Order No. R-10445**

**APPLICATION OF ENSEARCH EXPLORATION
INC. FOR DOWNHOLE COMMINGLING AND TO
AMEND DIVISION ADMINISTRATIVE ORDER
NO. DHC-755, ROOSEVELT COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 24, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 29th day of August, 1995, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Administrative Order No. DHC-755 dated February 14, 1990, the Division authorized EP Operating Company to downhole commingle South Peterson-Penn and South Peterson-Fusselman Pool production within the wellbore of its Lambirth Well No. 3 located in Unit G of Section 31, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(3) Order No. DHC-755 further limited oil production within the subject well to 50 barrels per day and limited water production to 100 barrels per day pursuant to Division General Rule No. 303(C).

(4) The applicant, Ensearch Exploration, Inc., seeks to amend Order No. DHC-755 thereby authorizing the Lambirth Well No. 3 to produce up to 300 barrels of water per day.

(5) This case was styled such that in the absence of objection, Case No. 11363 would be taken under advisement.

(6) No interested party appeared at the hearing.

(7) Data submitted by the applicant in this case indicates that:

- a) the Lambirth Well No. 3 is currently capable of water production in excess of 200 barrels per day;
- b) if the subject application is approved, the Lambirth Well No. 3 will be maintained in a "pumped-off" condition in order to prevent cross flow;
- c) no damage to either reservoir should occur as a result of approving the proposed amendment;
- d) approval of the proposed amendment will extend the economic life of the well thereby allowing the recovery of hydrocarbons which may otherwise not be recovered, thereby preventing waste.

(6) The proposed amendment of Division Order No. DHC-755 should be approved.

(7) All other provisions contained within Division Order No. DHC-755 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Ensearch Exploration, Inc., Division Order No. DHC-755 is hereby amended to authorize the Lambirth Well No. 3, located in Unit G of Section 31, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico, to produce water up to an amount of 300 barrels per day.

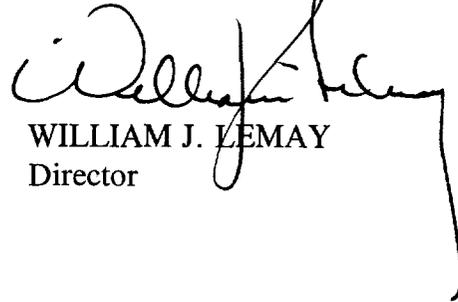
(2) All other provisions contained within Division Order No. DHC-755 shall remain in full force and effect.

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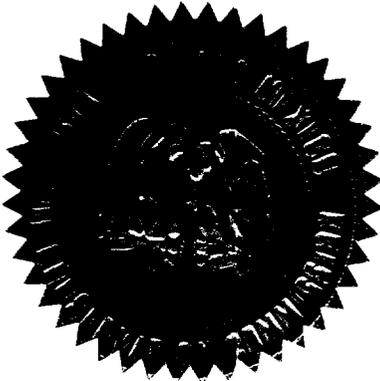
(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director



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