

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. 8571
Order No. R-7911

APPLICATION OF MABEE PETROLEUM
CORPORATION FOR AMENDMENT TO
ADMINISTRATIVE ORDER DHC-36,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 24, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of May, 1985, 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) The applicant, Mabee Petroleum Corporation, is the owner and operator of the Belcher "A" Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 7, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) Division Administrative Order No. DHC-36 dated February 10, 1970, authorized the applicant to commingle Blinebry Oil and Gas Pool and Tubb Oil and Gas Pool production within the wellbore of the above-described well.

(4) The applicant seeks the amendment of Administrative Order No. DHC-36 to include production from the Drinkard Pool to be downhole commingled with production from the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool in the wellbore of said Belcher "A" Well No. 1.

(5) Each of the zones to be commingled in the subject well are or are expected to be capable of low marginal production only.

(6) 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.

(7) 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.

(8) In order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Hobbs district office of the Division and determine an allocation formula for each of the production zones.

(9) Approval of the subject application for downhole commingling will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

(10) Said Division Administrative Order No. DHC-36 should be rescinded and downhole commingling authority should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Mabee Petroleum Corporation, is hereby authorized to commingle Drinkard Oil Pool, Blinebry Oil and Gas Pool, and Tubb Oil and Gas Pool production within the wellbore of its Belcher "A" Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 7, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) The applicant shall consult with the Supervisor of the Hobbs district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

(3) 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.

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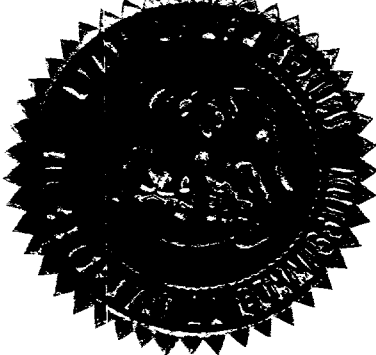
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(4) Division Administrative Order No. DHC-36, dated February 10, 1970, is hereby rescinded.

(5) 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS
Director

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