

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. 8276  
Order No. R-7642

APPLICATION OF ARCO OIL & GAS  
COMPANY FOR DOWNHOLE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 8, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of August, 1984, 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, ARCO Oil & Gas Company, is the owner and operator of the Roy Barton Well No. 2, located in Unit B; the Roy Barton Well No. 3 located in Unit H, and its S. J. Sarkeys Well No. 4 located in Unit P, all in Section 23, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Blinbry, Drinkard and Wantz-Abo production within the wellbore of each of the above-described wells.
- (4) That from each of said zones, the subject wells are capable of low marginal production only.
- (5) 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.
- (6) That the reservoir characteristics of each of the subject zones are such that underground waste would not be

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caused by the proposed commingling provided that no well commingled under terms of this order is shut-in for an extended period.

(7) 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 any of the subject wells is shut-in for 7 consecutive days.

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

(9) That those portions of Division Orders Nos. DHC-346 and R-6783 dealing with any of the subject wells should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, ARCO Oil & Gas Company, is hereby authorized to commingle Blinebry, Drinkard and Wantz-Abo production within the wellbores of its Roy Barton Well No. 2 located in Unit B; Roy Barton Well No. 3 located in Unit H, and S. J. Sarkeys Well No. 4, located in Unit P, all in Section 23, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 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 each of the subject wells.

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

(4) That those portions of Division Orders Nos. DHC-346 and R-6783 dealing with any of the subject wells are hereby superseded.

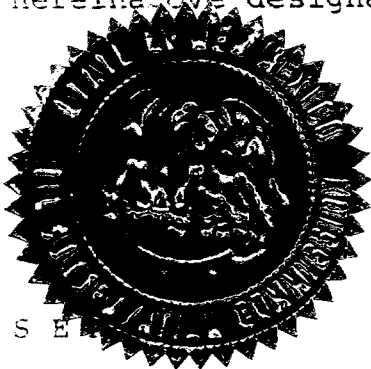
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY,  
Director