

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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O. C. D.
ARTESIA, OFFICE

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

CASE NO. 6958
Order No. R-6467

APPLICATION OF KENAI OIL AND GAS,
INC. 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 July 9, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of September, 1980, 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, Kenai Oil and Gas, Inc., is the owner and operator of the Gulf State Well No. 1 in Unit K of Section 36, and the Cobb Federal Well No. 2, located in Unit H of Section 22, both in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That in drilling said Gulf State Well No. 1 to the Artesia Queen-Grayburg-San Andres Pool, applicant encountered and perforated into a possibly productive stringer in the Seven Rivers formation.

(4) That the applicant in this case requested authority to commingle said Seven Rivers stringer with the Queen-Grayburg-San Andres production in said Gulf State Well No. 1 and also its Cobb Federal Well No. 2, and further requested an administrative procedure whereby other wells to be drilled by the applicant in the NE/4 and S/2 NW/4 of the aforesaid Section 22

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JOE D. RAMEY
Director

could be approved for such commingling.

(5) That further testing of said Seven Rivers stringer indicates that it is not productive, and applicant now requests dismissal of this case.

(6) That the Seven Rivers perforations in the Gulf State Well No. 1 will not cause waste nor impair correlative rights.

(7) That Case No. 6958 should be dismissed as requested with the provision that the perforations in the Seven Rivers zone of applicant's Gulf State Well No. 1 should be allowed to remain open.

IT IS THEREFORE ORDERED:

(1) That Case No. 6958 is hereby dismissed, provided however, that the Seven Rivers perforations in the Kenai Oil and Gas, Inc., Gulf State Well No. 1, located in Unit K of Section 36, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, shall be allowed to remain open.

(2) 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.