

- (4) Production rates as of May, 1997, are summarized as follows:

Pool	Oil	Producing Rates	
		Gas	Water
Sand Tank-Morrow Gas Pool	3 B/D	457 MCF/D	3 B/D
Sand Tank-Chester Gas Pool	14 B/D	750 MCF/D	4 B/D

(5) The applicant seeks authority to downhole commingle the subject well primarily due to liquid loading problems associated with the Morrow completion.

(6) The current wellbore configuration of the Sand Tank "7" Federal Com Well No. 1 is such that the Chester formation is producing through 2 7/8 inch tubing, and the Morrow formation is producing through the tubing/casing annulus.

- (7) Applicant's engineering evidence and testimony indicates that:

- a) the Morrow formation has exhibited a steep decline in production which applicant attributes to liquid loading problems within the casing/tubing annulus;
- b) the Chester zone is marginal in this area both in terms of current producing rate and estimated ultimate gas recovery; and,
- c) producing the well in a downhole commingled configuration will improve the producing efficiency of the Morrow formation and should result in a production increase of 300-500 MCF gas per day from the Morrow formation.

- (8) Applicant's engineering evidence further indicates that:

- a) the bottomhole pressure of the highest pressured commingled zone does not exceed the original reservoir pressure of any other commingled zone in the wellbore, adjusted to a common datum;
- b) commingling will not result in the permanent loss of reserves due to crossflow in the wellbore;
- c) neither zone appears to be fluid sensitive;