

(6) That from the Morrow zone, the subject well is expected to be capable of low marginal production only.

(7) 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.

(8) That 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.

(9) 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 Artesia district office of the Division any time the subject well is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, the operator should conduct such tests as may be necessary to establish the productivity of each of the commingled zones, and should consult with the Artesia Office of the Division to arrive at an allocation formula.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Petroleum Corporation, is hereby authorized to commingle Atoka and Morrow production within the wellbore of the Parkway West Unit Well No. 1, located in Unit C of Section 28, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and to produce this commingled production and the Strawn production through parallel strings of tubing.

(2) That the applicant shall consult with the Supervisor of the Artesia 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 Artesia 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.