

OIL CONSERVATION DIVISION

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

CASE NO. 6382
Order No. R-5880

APPLICATION OF YATES PETROLEUM CORPORATION
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 November 21, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of December, 1978, 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, Yates Petroleum Corporation, is the owner and operator of the Federal "HQ" Well No. 1, located in Unit N of Section 5, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant seeks authority to commingle Upper Pennsylvanian and Little Box Canyon-Atoka production within the wellbore of the above-described well.
- (4) That from the Upper Pennsylvanian zone, the subject well is capable of low marginal production only.
- (5) That from the Little Box Canyon-Atoka zone, the subject well is capable of low marginal production only.
- (6) 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.