

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

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

OCT - 5 1981

O. C. D.
ARTESIA OFFICE

CASE NO. 7341
Order No. R-6782

APPLICATION OF SUPERIOR OIL COMPANY
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 September 9, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 1981, 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, Superior Oil Company, is the owner and operator of the Collatt Estate Com Well No. 1, located in Unit J of Section 1, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant seeks authority to commingle South Carlsbad-Strawn and Morrow production within the wellbore of the above-described well.
- (4) That from the South Carlsbad-Strawn zone, the subject well is capable of low marginal production only.
- (5) That from the Morrow zone, the subject well is expected to be 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.

(7) 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.

(8) 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.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, production should be allocated to the South Carlisbad-Strawn zone based on the production decline curve presented at the hearing and extrapolated to a total ultimate recovery of 3.8 billion cubic feet from the Strawn zone, with the remainder of the production allocated to the Morrow zone.

(10) That should applicant encounter a bottom hole pressure in excess of 1500 psi in the Morrow formation, it should consult with the Division Director prior to commingling the Strawn and Morrow zones, and the Division Director may require the zones to be isolated from each other if, in his opinion, waste would result from the proposed commingling.

IT IS THEREFORE ORDERED:

(1) That the applicant, Superior Oil Company, is hereby authorized to commingle South Carlisbad-Strawn and Morrow production within the wellbore of the Collat Estate Com Well No. 1, located in Unit J of Section 1, Township 23 South, Range 26 East, NPM, Eddy County, New Mexico.

(2) That the applicant shall allocate the commingled production to the South Carlisbad-Strawn zone based on the production decline curves submitted at the hearing until a total ultimate production of 3.8 billion cubic feet has been credited to the Strawn, and the remaining production shall be credited to the Morrow zone.

(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.