

**CASE 4535: Appl. of CONTINENTAL
FOR DOWN-HOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.**

Continue to July June 30

Case Number
4535

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
June 30, 1971

EXAMINER HEARING

IN THE MATTER OF

Application of Continental Oil Company
for down-hole commingling, Lea County,
New Mexico.

Case No. 4535

BEFORE: ELVIS A. UTZ; EXAMINER

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4535.

2 MR. HATCH: Application of Continental Oil
3 Company for down-hole commingling, Lea County, New Mexico.
4 If the Examiner please, may the record show the same
5 applicants and reflect that the witness has been sworn
6 and qualified.

7 MR. UTZ: So show.

8 VICTOR T. LYON,

9 having been previously duly sworn, testified as follows:

10 DIRECT EXAMINATION

11 BY MR. KELLAHIN:

12 Q Mr. Lyon, are you familiar with the application of
13 Continental Oil in Case 4535?

14 A Yes, sir.

15 Q Briefly, what is proposed by the applicant in this case?

16 A Case 4535 is the application of Continental Oil Company
17 for authority to co-mingle in the well bore production from
18 the Monument-Tubb and Weir-Drinkard Oil Pools in its SEMU
19 Well number seventy located in Unit I of Section fifteen,
20 Township twenty South, Range thirty-seven East, Lea County,
21 New Mexico.

22 Q Now referring to what has been marked as Exhibit number one,
23 would you identify that Exhibit?

24 A Yes, sir. Exhibit number one is a location plat showing
25 the Northwest portion of the Southeast Monument Unit which

1 is depicted by the dashed line and it shows the location
2 of the SEMU number seventy circled in red, located 1,980
3 feet from the South line and 660 feet from the East line
4 of Section fifteen, Township twenty South, Range thirty-
5 seven East. It also shows the location of the surrounding
6 projects and the wells located on them.

7 Q Now, was this well duly completed by authority of the
8 Commission?

9 A Yes, sir. This was duly completed under Administrative
10 Order C-909.

11 Q Now, referring to what has been marked as Exhibit number
12 two, would you identify that exhibit?

13 A Exhibit number two is a copy of the C-116 showing a test
14 of the Weir Drinkard side of the well taken on May 2, 1971
15 at which time it produced 21 barrels of oil, 25 barrels of
16 water, 197 mcf of gas.

17 Q Exhibit number three, would you identify it?

18 A Exhibit number three is a copy of the C-116 showing
19 a test of the Tubb side of the well taken May 20, 1971
20 when it produced 8 barrels of oil, no water, and 8 mcf
21 of gas. We don't believe that either one of these tests
22 report the capacity of the particular zone because the
23 well has communication in it.

24 Q And, do you think this test was after the communication
25 had occurred?

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1 A Yes, I am certain of it.

2 Q Now, referring to what has been marked as exhibit number
3 four, would you identify that exhibit?

4 A Exhibit number four is a copy of the decline curve on
5 the Drinkard and the Tubb side of the well beginning
6 in 1966 and continuing through 1970. As you can see, the
7 Drinkard is producing at considerably higher rates than the
8 Tubb and we have had communication in the well before.
9 In 1967, we found that there was communication. This
10 communication was reported. We do not know for certain when
11 the communication began, but it was sometime between the
12 segregation tests which showed the communication and the
13 one before it when there was no communication, so the
14 production of the two zones is somewhat in doubt in a part
15 of that period. I have averaged the production during the
16 last 30 months when there was no evidence of communication
17 and we have found that the Drinkard was producing about 90
18 percent of the combined production; actually about 91
19 percent, and the Tubb was producing about 9 percent.

20 Q Now, what is the estimated remaining life of the Tubb
21 production?

22 A Well, it isn't very long. It is getting close to its
23 economic limit.

24 Q Would it be economical to again report the well so there
25 is no communication?

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1 A Considering the fact that it is likely to have to be
2 reported again in two or three years, we don't consider it
3 economically feasible to report this communication and
4 if we are not permitted to commingle in the well bore,
5 we'll squeeze the Tubb and put the well on production as a
6 single producer from the Drinkard.

7 Q But, if you can continue to produce it, commingling in
8 the well bore, will you recover hydrocarbons from the Tubb
9 which would not be recovered?

10 A Very definitely.

11 Q Now, what is the pressure in the Tubb Zone?

12 A I believe we had shown this on the application. The Tubb
13 Zone is estimated to be about 700 pounds per square inch.
14 The Drinkard is 500 pounds per square inch.

15 Q Now, are these two zones a participating area under a unit?

16 A Yes, sir. The Southeast Monument Unit is a Federal
17 Exploratory Unit and under the provisions of that agreement,
18 commercial production must have a participating area, as
19 I understand it, and there is a participating area for
20 each of these zones. The two participating areas are not
21 co-existent so that the interests are not identical through-
22 out. The working interest ownership is identical. The
23 Federal Government owns all of the royalty under both of
24 them, but the Drinkard participating area has 15/16 of one
25 percent override royalty which doesn't exist under the

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1 Tubb participating area.

2 Q Did you attach a list of those royalty owners, override
3 royalty owners to the application?

4 A Yes, sir, we mailed a copy of the application to them and
5 an address list was supposed to have been attached to the
6 application.

7 Q Now, how would you propose to allocate production between
8 the two zones?

9 A I would recommend that we allocate 90 percent of the
10 production to the Drinkard and 10 percent of the production
11 to the Tubb.

12 Q Now, is there a lease merit on the Drinkard production?

13 A There is a lease merit for the Drinkard production and
14 there is only one well producing from the Drinkard and that is
15 well number 70, so that the actual production from this
16 well will be measured by lease merit, so it will not
17 be an allocation of an allocated figure. There has been
18 an allocation of the actual measured production.

19 Q And, you think that will give you a reasonably accurate
20 measure for the production from the two separate zones?

21 A Well, I think this will be more accurate than having
22 communication exist every two or three years, undetected
23 perhaps for several months, when we didn't know really
24 where the production is coming from.

25 Q Have you received approval from the U.S.G.S. of your

1 proposed commingling?

2 A Yes, sir. We have a letter from Mr. N. O. Fredrick,
3 Regional Oil and Gas Supervisor.

4 Q Is that marked as Exhibit Number five?

5 A Yes, it is and he has indicated his consent to this,
6 provided that we get the consent of the override royalty
7 interest owners. We have consulted with them as to the
8 form that this consent is to be presented to them
9 and it has been mailed to them, and we have received
10 approval from 9 of the 15 owners of the override royalty.
11 We have also received consent from all of the working
12 interest owners.

13 Q Do you anticipate you will receive the consent of the
14 other override royalty owners?

15 A Yes, this was just mailed out during the month of June, early
16 in the month of June, and so I think the response to this
17 time has been exceptional and I think that within the next
18 30 days we will have the consent of all parties.

19 Q Now, on the override, the only one that would be affected
20 would be in the Drinkard Zone, is that correct?

21 A Yes.

22 Q And, their getting 90 percent of the production wouldn't
23 be hurt in any way, is that correct?

24 A Right.

25 Q There is one other question raised by Mr. Fredrick's

1 letter, and that is what do you propose to do in regard
2 to gas?

3 A We have looked at our data on this and the Tubb Zone
4 has a very high gas/oil ratio, you know, when it is
5 not hampered by communication, I shouldn't say hampered,
6 when it isn't affected by communication with the Drinkard
7 and in actuality, the gas production from the Tubb is
8 insignificant and since the override royalties owned under
9 the Tubb and the Federal Government owns all royalty under
10 both of them, I would recommend that we allocate all of the
11 gas to the Drinkard.

12 Q In that way, then, the U. S. Government's interest
13 wouldn't be impaired in any way, would it?

14 A Right.

15 Q The only one who would be affected would be Continental
16 Oil Company as the primary --

17 A Yes, Continental Oil Company and our working interest
18 partners.

19 Q --and your working interest partners? You are willing
20 to do that in order to resolve this problem?

21 A Yes.

22 Q Were Exhibits 1 through 4 prepared by you or under your
23 supervision?

24 A Yes, sir.

25 Q And Exhibit Number five is a copy of a letter received by

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1 your company from Mr. N. O. Fredrick, Regional Oil and
2 Gas Supervisor.

3 A That's correct.

4 MR. KELLAHIN: At this time, I would like to offer
5 in evidence, Exhibits 1 through 5 inclusive.

6 MR. UTZ: Exhibits 1 through 5 inclusive will be
7 entered into the record of this case.

8 MR. KELLAHIN: That is all we have, Mr. Utz.

9 MR. UTZ: You base the 90 percent and the 10 percent
10 on Exhibit number 4?

11 THE WITNESS: Yes, sir.

12 MR. UTZ: That being because of the commingled field
13 tests not being accurate, in your opinion, is that right?

14 THE WITNESS: I am not sure I understood you. Oh,
15 those tests.

16 MR. UTZ: These tests were commingled, you say?

17 THE WITNESS: Right. Those tests were taken after
18 our segregation tests indicated that there was communication.
19 Consequently, any test of either zone, I feel, would not
20 be repetitive.

21 MR. UTZ: That 100 percent of the gas would be charged
22 to the Drinkard Zone was based on the fact that the Tubb
23 zone has little or no gas.

24 THE WITNESS: I have looked at our test data, and it
25 appears that the gas/oil ratio in the Tubb is about 10

1 percent of what the gas/oil ratio is in the Drinkard and
2 10 percent of 10 percent is just one percent. So, I think
3 that the fact that we have given the Tubb a little either
4 in the allocation, 10 percent as opposed to 9 percent, will
5 adequately compensate that particular interest for not
6 getting a share of the gas. I think that it is perfectly
7 equitable to allocate all the gas to the Drinkard.

8 MR. UTZ: So, you don't actually know how much oil
9 either zone is capable of producing. Now, would this test
10 here indicate the total capacity of both zones accurately,
11 you think?

12 THE WITNESS: No, I don't think so.

13 MR. UTZ: How much do you think they will produce?

14 THE WITNESS: I would say probably less than 25
15 barrels a day. I had better look at my test data again.
16 Yes, I think that is a good estimate.

17 MR. UTZ: The case will be taken under advisement.
18 Statements? The witness excused.

19 (Witness excused)

20 If there are no statements, the case will be taken under
21 advisement.
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I N D E XWITNESSPAGE

Victor T. Lyon

2

Direct Examination by Mr. Kellahin

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EXHIBITSMARKEDOFFERED AND
ADMITTEDApplicant's 1
through 5

9

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1 STATE OF NEW MEXICO)
2)
3 COUNTY OF BERNALILLO)

4 I, GLENDA BURKS, Court Reporter, do hereby certify that
5 the foregoing and attached Transcript of Hearing before the
6 New Mexico Oil Conservation Commission was reported by me; and
7 that the same is a true and correct record of the said
8 proceedings, to the best of my knowledge, skill and ability.

9
10 *Glenda Burks*
11 Court Reporter

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22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 4535,
25 heard by me on June 30, 1971.

[Signature]
New Mexico Oil Conservation Commission

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PAGE 13

I N D E X

WITNESS

PAGE

VICTOR T. LYON

2

Direct Examination by Mr. Kellahin

2

EXHIBITS

MARKED

OFFERED AND
ADMITTED

Applicant's 1
through 5

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PAGE 2

1 MR. NUTTER: We'll call next case, No. 4535.

2 MR. HATCH: Case 4535, application of Continental
3 Oil Company for down-hole commingling, Lea County, New Mexico.
4 The applicant in this case has asked that the case be
5 continued to June 30th, 1971.

6 MR. NUTTER: Case No. 4535 will be continued to
7 June 30th, 1971, at 9:00 o'clock A.M., at this same place.
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14 STATE OF NEW MEXICO)
15) ss
16 COUNTY OF BERNALILLO)

17 I, SYLVIA AMARO, Court Reporter in and for the County
18 of Bernalillo, State of New Mexico, do hereby certify that
19 the foregoing and attached Transcript of Hearing before the
20 New Mexico Oil Conservation Commission was reported by me;
21 and that the same is a true and correct record of the said
22 proceedings to the best of my knowledge, skill and ability.
23

24 I do hereby certify that the foregoing is
25 a complete record of the proceedings in
the Bernalillo hearing of Case No. 4535
heard by me on May 19, 1971.

Sylvia Amaro
Court Reporter
[Signature], Examiner
New Mexico Oil Conservation Commission

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 28, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental
Oil Company for down-hole
comminglign, Lea County,
New Mexico.

Case No. 4535

BEFORE: Elvin A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

1 MR. UTZ: Case 4535.

2 MR. HATCH: Case 4535, application of Continental
3 Oil Company for down-hole commingling, Lea County, New
4 Mexico.

5 MR. KELLAHIN: If the Examiner please, we would
6 request that this case be continued to the next Examiner hearing.

7 MR. HATCH: Continued?

8 MR. KELLAHIN: Continued, yes sir.

9 MR. HATCH: I already had "Dismissed" written on
10 there.

11 MR. KELLAHIN: Oh, goodness, no.

12 MR. HATCH: To the next Examiner hearing?

13 MR. KELLAHIN: Right, whenever it is.

14 MR. HATCH: It should be the 19th of May.

15 MR. KELLAHIN: The 19th of May?

16 MR. HATCH: Yes. It will not appear on the --
17 they'll probably have it on the docket, too. It isn't
18 necessary for it to be on the docket.

19 MR. KELLAHIN: It doesn't have to be.

20 MR. UTZ: At the request of the applicant, Case 4535
21 will be continued to May, to the May 19th docket. That will
22 be an examiner hearing?

23 MR. HATCH: Examiner hearing.

24 MR. UTZ: And the hearing is now adjourned.
25

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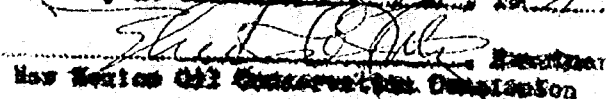
PAGE 3

1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF MCKINLEY)

4 I, Jerry Martinez, Court Reporter in and for the
5 County of McKinley, State of New Mexico, do hereby certify
6 that the foregoing and attached Transcript of Hearing before
7 the New Mexico Oil Conservation Commission was reported by
8 me and that the same is a true and correct record of the said
9 proceedings, to the best of my knowledge, skill and ability.
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Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 86-535,
heard by me on April 28, 1986.


New Mexico Oil Conservation Commission

Case 4535

APR 20 1971

Drawer 1857
Roswell, New Mexico 88201

April 16, 1971

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

Your letter of March 31 requests approval for downhole commingling of production from the Tubb and Drinkard zones in dually completed Southeast Monument unit well No. 70 in the NE $\frac{1}{4}$ sec. 15, T. 20 S., R. 37 E., N.M.P.M., Federal lease Las Cruces 031621-B. You propose to allocate 90 percent of the commingled production to the Drinkard zone and 10 percent to the Tubb zone; such percentages being determined from the previous 30 month production history for each zone.

Section VII of the Southeast Monument unit agreement provides for the establishment of separate participating areas for each zone proved to be commercially productive. Since your request for approval of downhole commingling involves production from two participating areas such request is hereby disapproved.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Hobbs (w/cy attach.)
NMOCC, Santa Fe ✓



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

August 17, 1971

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4535

Order NO. R-4180

Applicant:

Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4535
Order No. R-4180

APPLICATION OF CONTINENTAL OIL
COMPANY FOR DOWN-HOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of August, 1971, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, is the
owner and operator of the SEMU Well No. 70, located in Unit I
of Section 15, Township 20 South, Range 37 East, NMPM, Lea
County, New Mexico.

(3) That the applicant seeks authority to commingle produc-
tion from the Monument-Tubb and Weir Drinkard Pools in the well-
bore of the above-described well and to produce the commingled
production through a single string of tubing.

(4) That from the Monument-Tubb zone, the subject well is
capable of low marginal production only.

(5) That from the Weir Drinkard zone, the subject well is
capable of low marginal production only.

CASE NO. 4535
Order No. R-4180

(6) That the reservoir characteristics of each of the subject zones is such that underground waste would not be caused by the proposed commingling.

(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 in order to allocate the commingled production to each of the commingled zones in the subject well, 10% of the commingled oil production should be allocated to the Monument-Tubb zone, 90% of the commingled oil production to the Weir-Drinkard zone, and 100% of the commingled casinghead gas production to the Weir-Drinkard zone.

(9) That Administrative Order DC-909 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its SENU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the well-bore the production from the Monument-Tubb and Weir-Drinkard Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That 10% of the commingled oil production shall be allocated to the Monument-Tubb zone, 90% of the commingled oil production shall be allocated to the Weir-Drinkard zone, and 100% of the commingled casinghead gas production to the Weir-Drinkard zone.

(3) That this order shall become effective upon approval of said downhole commingling by the Director of the United States Geological Survey.

(4) That Administrative Order DC-909 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE NO. 4535

Order No. R-4180

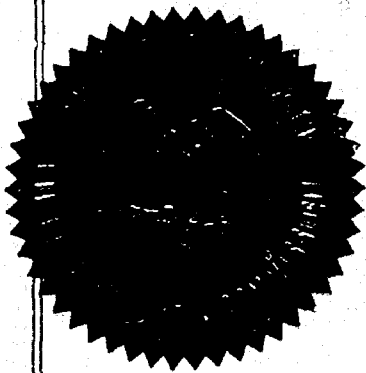
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



SEAL

dr/

4535

Head 6-30-71

Rec. 7-1-71

Grant Corroco permission to
co-mining plots ENU #70 I, 15-20-37
in the Monument Salt and the
Wier Dunkard pools.

Both pools are marginal
in that the co-mining
stream is approx. 25 BOPD.

The Production shall be
reported on C-115 as follows:

Oil	Gas
Wier 90%	100%
Mon. Salt 10%	

Thos B. R.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 30, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4352: (Reopened) (Continued from April 14, April 28, and May 19, 1971, Examiner Hearings)

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4539: (Continued from the May 19, 1971, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Doanbuy Lease & Company, Inc., and all other interested persons to appear and show cause why its following described wells in Section 27, Township 14 South, Range 33 East, Saunders Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Atlantic State AC - 1	Well No. 1	Unit N
Atlantic State AC - 2	Well No. 2	Unit M
Atlantic State AC - 2	Well No. 3	Unit O
Atlantic State AC - 3	Well No. 4	Unit L
Atlantic State AC - 3	Well No. 5	Unit J
Atlantic State AC - 4	Well No. 6	Unit P
Atlantic State AC - 4	Well No. 7	Unit I

CASE 4556: Application of Tenneco Oil Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from 3154 feet to 3159 feet in its USA-Reno Well No. 1 located in Unit L of Section 3, Township 15 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4557: Application of Continental Oil Company for transfer of allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to transfer allowable across the boundaries of the participating area and the leases outside said area but within the Maljamar Cooperative Area, MCA Unit Area, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 4535: (Continued from the April 28, and the May 19, 1971, Examiner Hearings)

Application of Continental Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Monument-Tubb and Weir Drinkard oil production in the well-bore of its SEMU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4558: Application of Midwest Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Little Inbe (Bough "C") Unit Area comprising 2,240 acres, more or less, of state lands in Sections 10, 11, 14 and 15 of Township 10 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4559: Application of Midwest Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Little Inbe (Bough "C") Unit Area, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico, by the injection of water through three wells located in Sections 11 and 14 of Township 10 South, Range 33 East, Lea County, New Mexico.

CASE 4560: Application of Rijan Oil Company, Inc. for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project in the Slick Rock-Dakota Pool by the injection of water into the Dakota formation through its Rijan Wells Nos. 10, 12, and 14 located, respectively, in Units F, L and K of Section 31, Township 30 North, Range 16 West, San Juan County, New Mexico.

CASE 4561: Application of Great Plains Land Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seek an exception to

(Case 4561 continued)

Order No. R-3221, as amended, to dispose of water produced by its well located in the NW/4 NW/4 of Section 31, Township 18 South, Range 30 East, Shugart Field, Eddy County, New Mexico.

CASE 4562: Application of Texas Oil and Gas Corporation, for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool to permit the drilling of a well at an unorthodox gas well location 990 feet from the North and West lines of Section 22, Township 22 South, Range 23 East, Eddy County, New Mexico.

CASE 4563: Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4564: Application of Penroc Oil Corporation for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, Hobbs-Drinkard Pool, Lea County, New Mexico, to be dedicated to its Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.

CASE 4549: (Continued from the June 16, 1971, Examiner Hearing)

Application of Tom L. Ingram for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Light Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 15, Township 8 South, Range 37 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.

CASE 4549: (Continued from the June 16, 1971, Examiner Hearing)

Application of Tom L. Ingram for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Light Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 15, Township 8 South, Range 37 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 19, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner or
Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1971, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico; also presentation of purchaser's nominations for said pools for the six-month period beginning July 1, 1971;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1971.

CASE 4352 (Reopened): (Continued from April 14 and April 28, 1971 Examiner Hearings)

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4535:

(Continued from the April 28, 1971 Examiner Hearing)

Application of Continental Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Monument-Tubb and Weir Drinkard oil production in the well-bore of its SEMU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4536:

Application of Eastland Oil Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose into unlined surface pits water produced by three wells in the Power Grayburg-San Andres Pool, Eddy County, New Mexico, as follows:

(Case 4536 continued)

TOWNSHIP 17 SOUTH, RANGE 31 EAST
Allied State Well No. 1 - SW/4 SW/4
Section 32

TOWNSHIP 18 SOUTH, RANGE 31 EAST
Kenwood Federal Well No. 1 - NE 1/4 NW/4
Section 6
Kenwood Federal Well No. 3 - NW/4 NW/4
Section 6

CASE 4537: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt into the Devonian formation in the perforated interval from 11,680 feet to 11,690 feet in its South Vacuum Unit Well No. 2-35 located in Unit I of Section 35, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, Lea County, New Mexico.

CASE 4538: Application of Jack F. Grimm Oil Company for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I of the Commission Rules and Regulations to drill a well at an unorthodox location 880 feet from the South line and 1500 feet from the West line of Section 20, Township 11 South, Range 29 East, White Ranch Siluro-Devonian Pool, Chaves County, New Mexico.

CASE 4539: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Doanbuy Lease & Company, Inc., and all other interested persons to appear and show cause why its following described wells in Section 27, Township 14 South, Range 33 East, Saunders Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Atlantic State AC - 1	Well No. 1	Unit N
Atlantic State AC - 2	Well No. 2	Unit M
Atlantic State AC - 2	Well No. 3	Unit O
Atlantic State AC - 3	Well No. 4	Unit L
Atlantic State AC - 3	Well No. 5	Unit J
Atlantic State AC - 4	Well No. 6	Unit P
Atlantic State AC - 4	Well No. 7	Unit I

CASE 4540: Application of Mountain States Petroleum Corporation for re-delineation of certain pools, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Atoka-Pennsylvanian Gas Pool by the deletion of the W/2 of Section 19, Township 18 South, Range 26 East, Eddy County, New Mexico, and the extension of the West Atoka-Morrow Gas Pool to include the W/2 of Sections 18 and 19, said Township and Range.

CASE 4541: Application of Tenneco Oil Company for gas injection, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject casinghead gas produced by certain wells located in the Lone Pine-Dakota "D" Pool, McKinley County, New Mexico, into the Dakota A zone through perforations from 2547 feet to 2562 feet in its Santa Fe Pacific Railroad Well No. 2 located in the NW/4 SW/4 of Section 13, Township 17 North, Range 9 West, South Hospah Field. The gas is to be injected for storage purposes awaiting the institution of a pressure maintenance project in the Lone Pine-Dakota "D" Pool.

CASE 4542: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation of the following pool:

West Warren-Blinbry Pool in
Township 20 South, Range 38
East, Lea County;

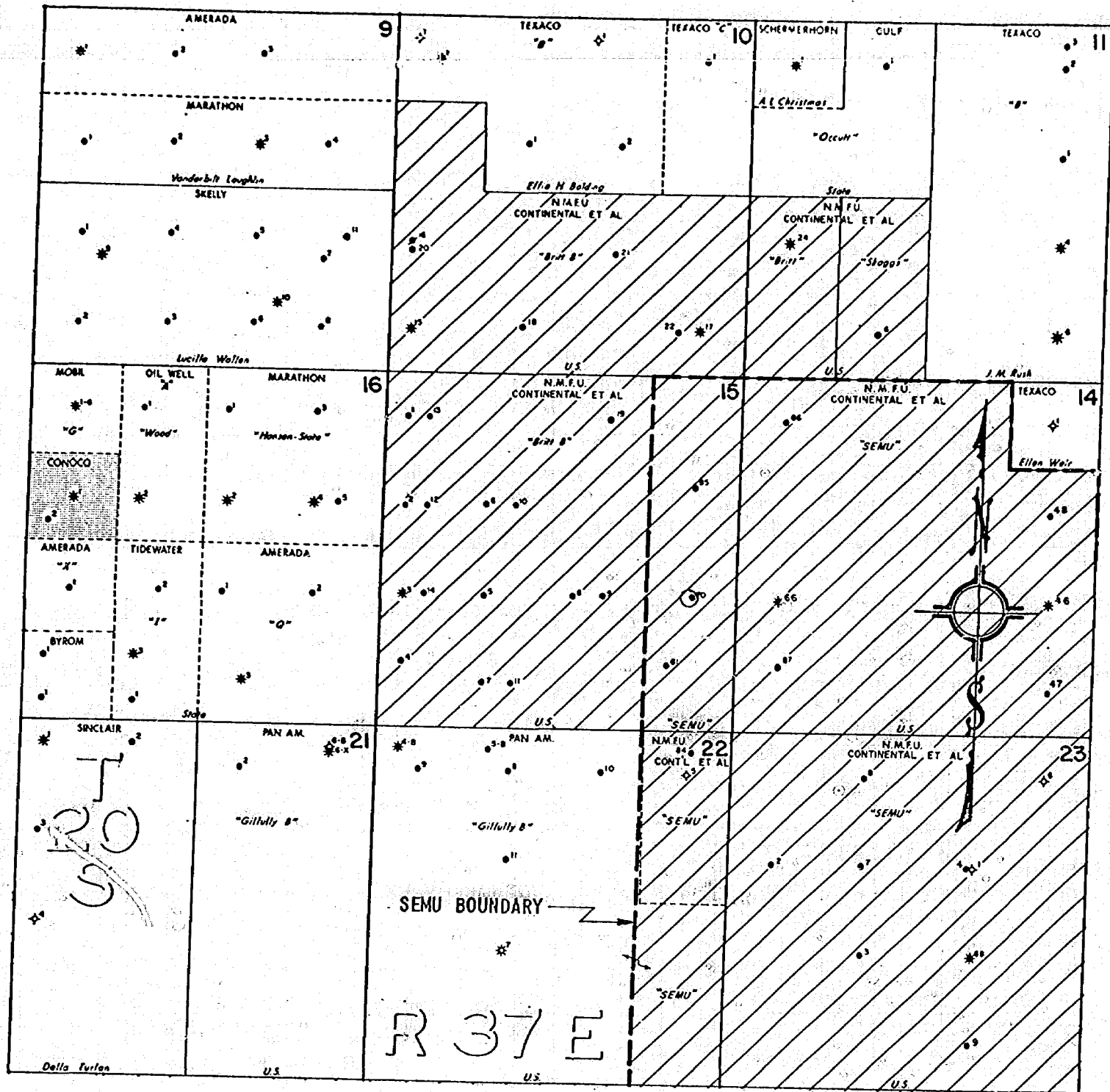
and for the extension of the following pools in Lea County;

South Corbin-Morrow Gas Pool
Maljamar Grayburg-San Andres Pool
Vacuum-Abo Reef Pool
Warren-Drinkard Pool
Vada-Pennsylvanian Pool

and for the extension of the following pools in Eddy County:

Atoka-San Andres Pool
South Carlsbad-Morrow Gas Pool
Eagle Creek-San Andres Pool

and for the extension of the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County.



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. 4535

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DIVISION
SE MONUMENT UNIT
WEST AREA
LEA COUNTY, NEW MEXICO
SCALE: 1" = 2000'

EXHIBIT NO. 1

C-116
Revised 1-1-65

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

June 28, 1971 (Date)
Exhibit No. 2

C-116
Revised 1-1-65

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool, in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

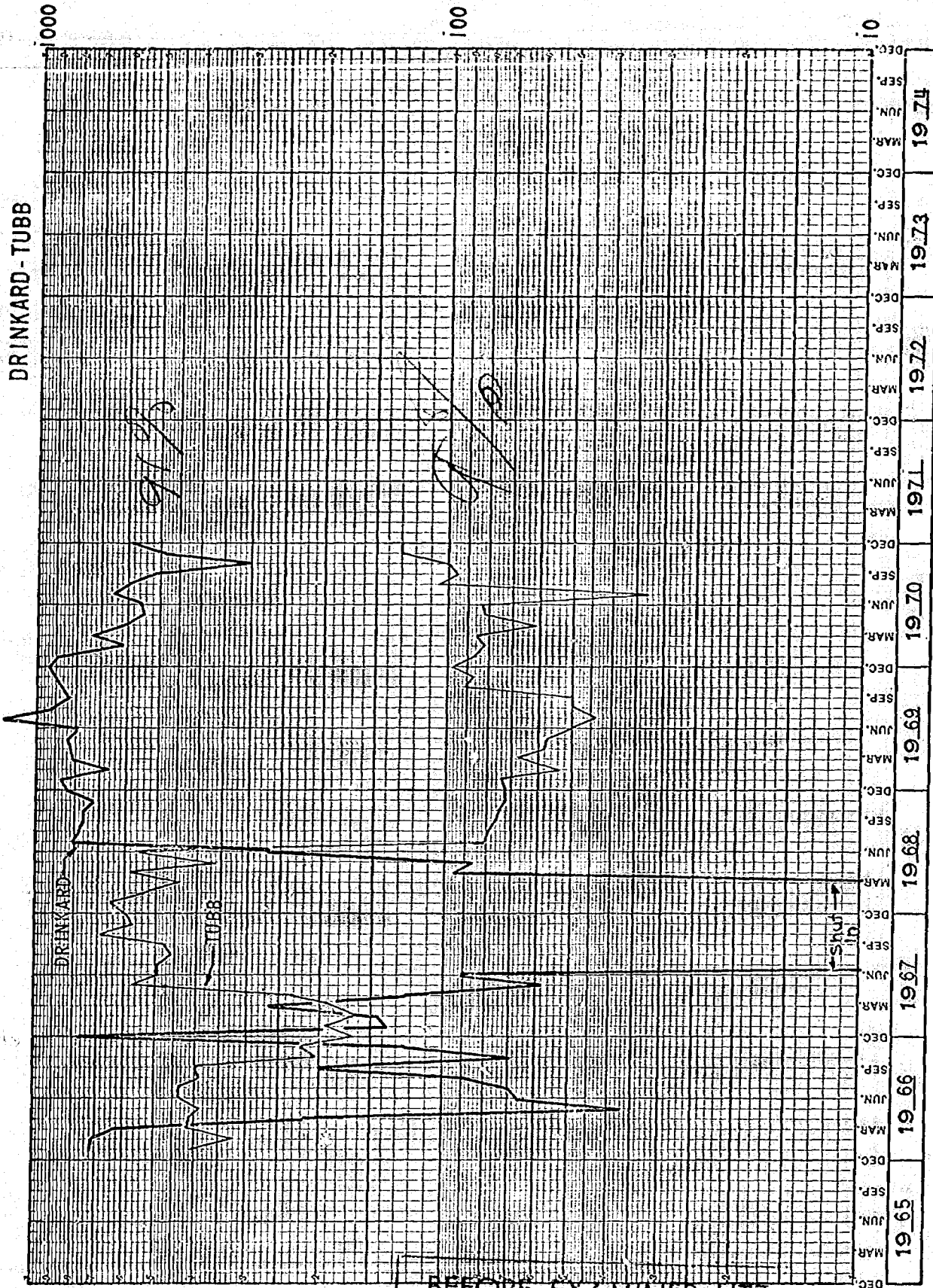
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

(Time)
June 28, 1971

Exhibit No. 3



SEMU DT NO. 70
DRINKARD-TUBBS



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 4535



RECEIVED	
HOBBS DIVISION	
JUN 2 - 71	
Div. Manager	
Asst. Div. M.	
Div. Engr.	
Div. Off. M.	
Cons'v. Cor.	
III	

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

June 1, 1971

Attention: Mr. G. C. Jamieson

Gentlemen:

Your letter of April 21 again requests that we consider your application to commingle in the wellbore oil and gas production from the Tubb and Drinkard zones of Southeast Monument unit well No. 70 in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 15, T. 20 S., R. 37 E., N.M.P.M., Federal lease Las Cruces 031621(b). Your application states that the two zones in unit well No. 70 have been found to be in communication in the wellbore and the small remaining reserves in the Tubb render it economically unattractive to repair the leak. The tabulation of production attached to your application indicates that the Tubb has averaged 2.4 BOPD and the Drinkard 23.3 BOPD over the last 32 months. You propose to allocate commingled oil production 90 percent to the Drinkard participating area and 10 percent to the Tubb participating area.

We understand the economic problem involved in repairing downhole production equipment for a zone making less than three barrels of oil per day and that such zone may be abandoned if downhole commingling is not approved. The standard solution to your problem would be an amendment to the unit agreement, however, in view of the administrative expense involved to achieve a formal amendment of the unit agreement and the salvage characteristic of the Tubb production, we would be willing to approve the requested commingling if the approval of the working interest and overriding royalty interest owners was obtained. If this procedure is considered practical, please advise this office of the manner in which you intend to obtain such approval.

Your letter did not mention the manner in which you intend to allocate the gas production from the two zones involved. Please include such information in any subsequent correspondence concerning your application.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5
CASE NO. 4535

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor



CONTINENTAL OIL COMPANY

P. O. Box 460
Hobbs, New Mexico 88240
April 7, 1971

24
3
11
8

St for hearing
Case 4535

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter, Jr.,
Secretary Director

Gentlemen:

Subject: Application for Downhole Commingling - Monument Tubb- Weir
Drinkard Pools - SEMU Well No. 70

Forwarded herewith, in triplicate, is our application for authority to commingle in the well bore production from the Monument Tubb and Weir Drinkard Pools in our SEMU Well No. 70 - 1-15-20-37. Drinkard production is accounted for to the Drinkard participating area of the Southeast Monument Unit and the Tubb production is accounted for to the Tubb participating area of that unit. The working interest ownership is common and all of the acreage is Federal. There is a very small portion of overriding royalty under the Drinkard participating area but none under the Tubb participating area. Consequently, the interests in both zones are not identical.

If this matter can be handled Administratively, we should appreciate your handling it in that manner. Otherwise, we should appreciate your scheduling this matter for hearing on your April 28, 1971, Examiner Docket.

Yours very truly,

G. C. Jamieson
G. C. Jamieson
Assistant Division Manager

VTL-RW

Enc

CC: NMOC - Hobbs
USGS - Hobbs
Alex Clarke, Amoco, Ft. Worth
G. A. Schurman, Chevron, Midland
A. D. Kloxin, Atlantic Richfield, Roswell
V. E. Staley, Amoco, Hobbs
Overriding Royalty Owners
(Address List Attached)
RLA, JJB, JWK

DOCKET MAILED

Date 6-15-71

DOCKET MAILED

Date 5/16/71

DOCKET MAILED

Date 4-16-71

SEMU Drinkard Participating Area
Overriding Royalty

Western Mineral Deed Association
3429 Amherst
Amarillo, Texas 79109

George Etz
2003 17th Street
Lubbock, Texas 79401

Marle I. Kyte
P. O. Box 817
Los Altos, California 94022

David Bond Kyte
C/O Stanley V. Bartlett
Bartlett & Pringle
26 West Figueroa Street
Santa Barbara, California 93104

The Bank of California N.A.
Trustee under Deed of Trust
for Betty Kyte Dreessen
400 California Street
San Francisco, California 94104

Michael J. Denda,
Lawrence Arnsten, Trustee
15 East 48th Street
New York, New York 10017

Robert J. Leonard
Box 400
Roswell, New Mexico 88201

Timothy T. Leonard
Box 6006
San Antonio, Texas 78209

Patrick J. Leonard
Box 335
Dallas, Texas 75201

Elks National Foundation
New England Merchants
National Bank Trust Department
Acct. 5-5429
28 State Street
Boston, Mass. 02107

Boys Clubs of America
771 First Avenue
New York, New York 10017

Shattuck School
Fairbault, Minnesota 55021

New Mexico Boy's Ranch, Inc.
Regents of the University of N.M.
Box 758
Albuquerque, New Mexico 87016

Robert William Etz
Box 1992
Roswell, New Mexico 88201

Alva Nye Etz II
Box 1992
Roswell, New Mexico 88201

Alva Nye Etz II,
Jean W. Etz
Box 1992
Roswell, New Mexico 88201

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS


C-116
Revised 1-1-65

Operator CONTINENTAL OIL COMPANY		Pool Monument Tubb		County Lea											
Address Box 460, Hobbs, New Mexico 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME SENU DT	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU. FT./BBL	
		U	S	T							R	WATER BBL'S.	GRAV. OIL BBL'S.		GAS M.C.F.
	70	I	15	20	37	3-13-71	P	-	3	24	1	40.5	6	11.3	1896.6

Conn 4535

No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 303 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)
Administrative Supervisor
(Title)
March 31, 1971.
(Date)

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**


C-116
Revised 1-1-65

Operator CONTINENTAL OIL COMPANY		Pool Weir Drinkard		County Lea									
Address Box 460, Hobbs, New Mexico 88240		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>									
LEASE NAME SENU DT	WELL NO. 70	LOCATION			DATE OF TEST 3-4-71	SIZE OF CHOKES F 32/64	TBG. PRESS. 100	DAILY ALLOW-ABLE 20	LENGTH OF TEST HOURS 24	Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>			
		U	S	T						R	WATER BBL'S	PROD. GRAV. OIL BBL'S	GAS M.C.F. TEST
	I	15	20	37					25	39.9	17	197.	11588.0

No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.63.

Report casing pressure in lieu of tubing pressure for any well producing through casing.
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

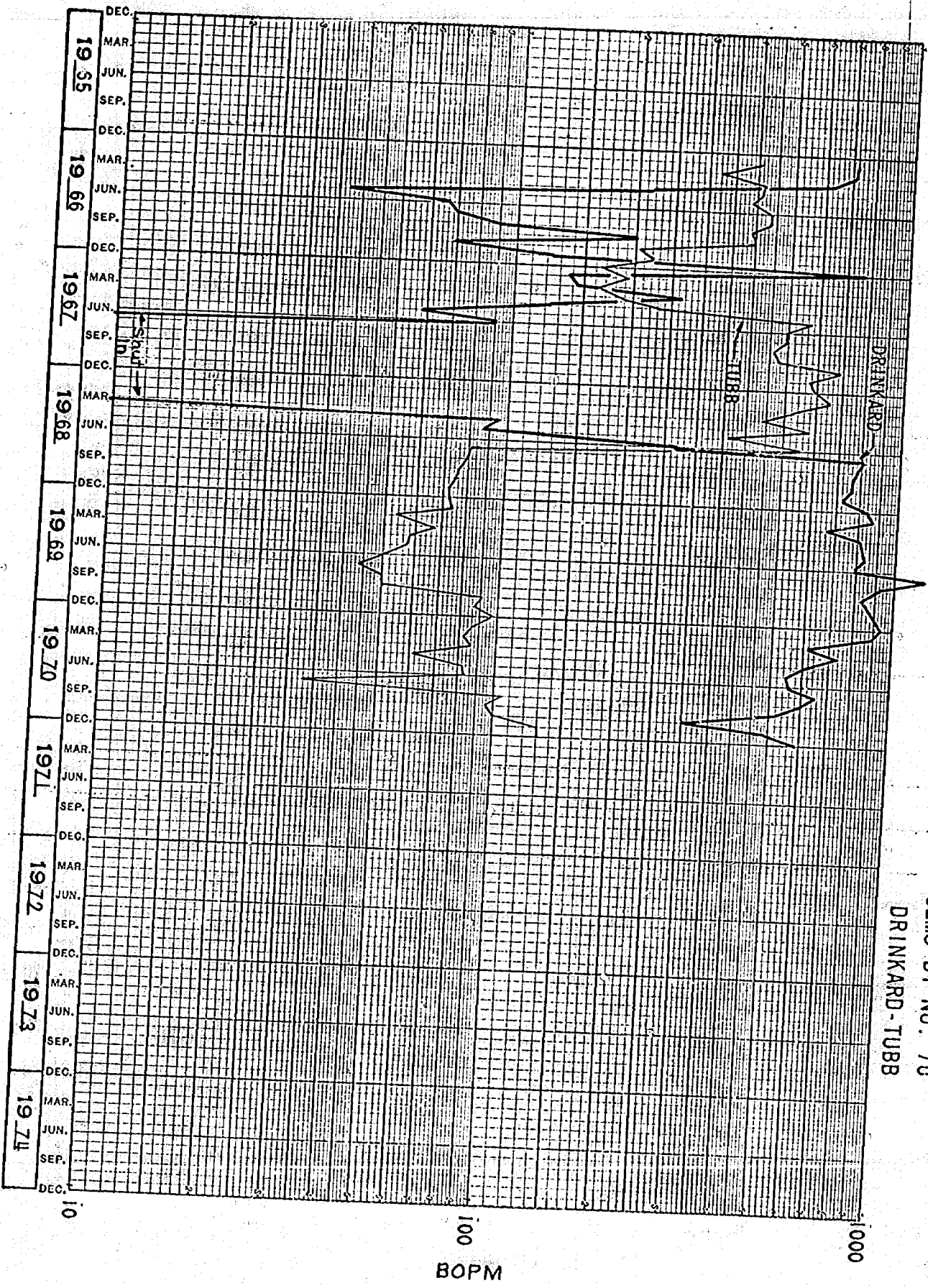

(Signature)
Administrative Supervisor
(Title)
March 31, 1971
(Date)

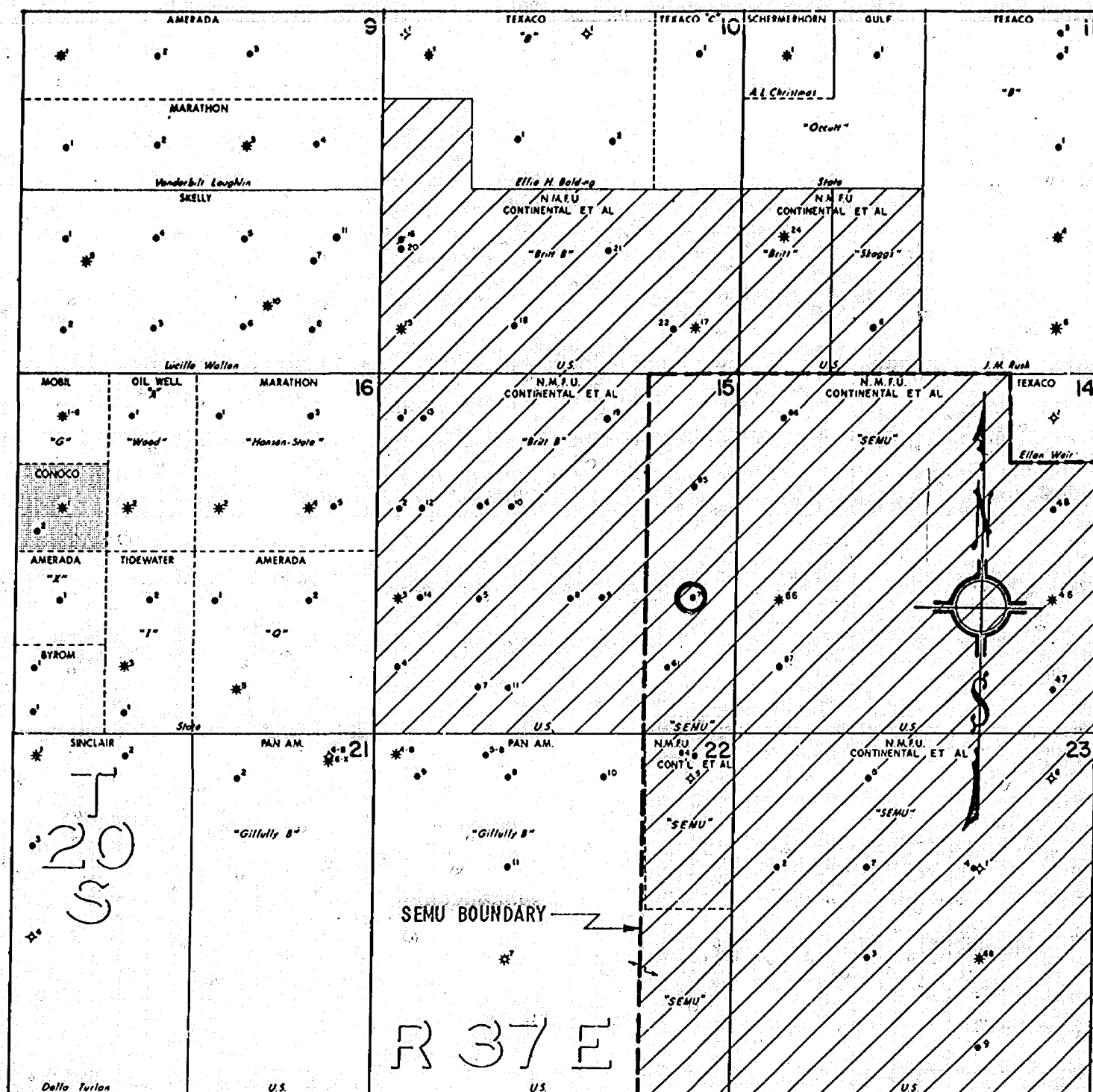
NO. 3157, TEN YEARS BY MONTHS X 2 1/2-INCH CYCLES RATIO RULING.



CODEx BOOK COMPANY, INC. NORWOOD, MASSACHUSETTS
PRINTED IN U.S.A.

SEMU DT NO. 70
DRINKARD-TUBB





CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DIVISION
 SE MONUMENT UNIT
 WEST AREA
 LEA COUNTY, NEW MEXICO
 SCALE: 1" = 2000'



CONTINENTAL OIL COMPANY

P. O. Box 460
Hobbs, New Mexico 88240
April 7, 1971

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter, Jr.,
Secretary-Director

Gentlemen:

Subject: Application for Downhole Commingling - SEMU DT Well No. 70 -
1-15-20S-37E

Continental Oil Company, P. O. Box 460, Hobbs, New Mexico, as operator of the Southeast Monument Unit respectfully requests administrative approval under the provisions of Order No. R-3845 to commingle in the well bore production from the Monument Tubb and Weir Drinkard Pool in its SEMU DT Well No. 70 located in Unit 1 of Section 15, T20S, R37E, Lea County, New Mexico. The dual completion was authorized by Administrative Order No. DC-909. The attached plat shows the SEMU western boundary and the No. 70 well by the red circle.

Attached hereto are forms C-116 showing the results of tests taken within the last 30 days on the two zones in this well. The producing rates indicated by the tests are suspect because of communication between zones.

On March 18, 1971, the bottom hole pressure in the Tubb zone in the SEMU No. 86, was 700 psi after shut-in of 48 hours. The estimated bottom hole pressure in the Drinkard zone, which is capable of flowing, is 500 psi based on the latest surface shut-in pressure and the measured fluid level. The commingled production will be artificially lifted.

Attached hereto is a production decline curve for each zone and for both zones combined. Production during the last 30 months has been approximately 90% Drinkard, 10% Tubb.

The fluid from these two pool has been commingled at the tank battery for a number of years and there as been no indication of incompatibility. Both crudes are typical Permian high gravity crude. Since the

crudes have been commingled at the tank battery before sale to the pipe line, there should be no difference between the value of the commingled stream at the surface and that commingled within the well bore.

The Southeast Monument Unit is Federal land and a copy of this application is being furnished the USGS and to all offset operators. Your further handling and approval of this application will be sincerely appreciated.

Yours very truly,



G. C. Jamieson
Assistant Division Manager

VTL-RW
CC: Amoco Production Company
RLA, JJB, JWK

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4535

Order No. R- 4180

APPLICATION OF CONTINENTAL OIL
COMPANY FOR DOWN-HOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30, 19 71,
at Santa Fe, New Mexico, before Examiner Elvia A. Utz.

NOW, on this _____ day of _____, 19 71, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, is the
owner and operator of the SEMU Well No. 70, located in Unit I
of Section 15, Township 20 South, Range 37 East, ^{N/M/M} Lea County, New
Mexico.

-2-

CASE NO. 4535

Order No. R-

(3) That the applicant seeks authority to commingle production from the Monument-Tubb and Weir Drinkard Pools in the wellbore of the above-described well and to produce the commingled production through a single string of tubing.

(4) That from the Monument-Tubb zone, the subject well is capable of ~~extremely~~ low marginal production only.

(5) That from the Weir Drinkard zone, the subject well is capable of low marginal production only.

(6) That the reservoir characteristics of each of the subject zones is such that underground waste would not be caused by the proposed commingling.

(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 in order to allocate the commingled production to each of the commingled zones in the subject well, 10 % of the commingled oil production should be allocated to the Monument-Tubb zone, 90 % of the commingled oil production to the Weir Drinkard zone, and 100% of the commingled ~~liquids to the Monument-Tubb and Weir Drinkard zone.~~ ^{commingled gas production} ~~liquids to the Monument-Tubb and Weir Drinkard zone.~~

(9) That Administrative Order DC-909 should be superseded.

IT IS THEREFORE ORDERED:

-3-

CASE NO. 4535

Order No. R-

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its SEMU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the well-bore the production from the Monument-Tubb and Weir-Drinkard Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That 10% of the commingled oil production shall be allocated to the Monument-Tubb zone, 90% of the commingled oil production shall be allocated to the Weir-Drinkard zone, and 100% of the commingled casinghead gas production to the Weir-Drinkard zone.

(3) That this order shall become effective upon approval of said downhole commingling by the Director of the United States Geological Survey.

(4) That Administrative Order DC-909 is hereby superceded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASE 4536: Appli. of EASTLAND OIL
COMPANY FOR AN EXCEPTION TO ORDER
NO. R-3221, AS AMENDED, EDDY CO.