

*Entered August 28, 1972*  
*A.L.P.*

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. 4709  
Order No. R-4363

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR DOWNHOLE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of August, 1972, 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 co-owner and operator of the Lockhart A-17 Well No. 1, located in Unit L of Section 17, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That pursuant to authority granted by Administrative Order MC-1300, the subject well was completed as a dual completion to produce gas from the Eumont Gas Pool through the casing-tubing annulus and oil from the Penrose Skelly Pool through tubing.
- (4) That the applicant now proposes to complete the subject well in such a manner as to produce gas from the Eumont Gas Pool and to produce oil and gas from the Penrose Skelly Pool through a single string of tubing, commingling in the well-bore the production from the two zones.
- (5) That from the Eumont zone, the subject well is capable only of low marginal production.
- (6) That from the Penrose Skelly zone, the subject well is capable only of low marginal production.

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(7) That the reservoir characteristics of the Eumont and Penrose Skelly zones are such that underground waste would not be caused by the proposed commingling.

(8) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the commingled zones, thereby preventing waste, and will not violate correlative rights.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 45% of the commingled gas production should be allocated to the Eumont Gas Pool, 55% of the commingled gas production to the Penrose Skelly Pool, and 100% of the commingled oil production to the Penrose Skelly Pool.

(10) That Administrative Order MC-1300 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its Lockhart A-17 Well No. 1, located in Unit L of Section 17, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce gas from the Eumont Gas Pool and to produce oil and gas from the Penrose Skelly Pool through a single string of tubing, commingling in the well-bore the production from the Eumont and Penrose Skelly Pools.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(2) That 45% of the commingled gas production shall be allocated to the Eumont zone, 55% of the commingled gas production shall be allocated to the Penrose Skelly zone, and 100% of the commingled oil production to the Penrose Skelly zone until further order of the Commission.

(3) That Administrative Order MC-1300 is hereby superseded.

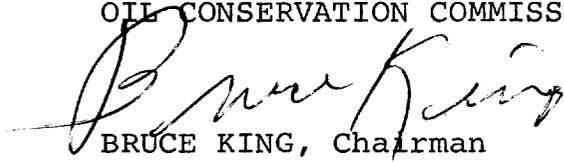
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMITO, Member

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

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