

Entered November 17, 1975

JAP

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. 5572  
Order No. R-5114

APPLICATION OF GULF OIL CORPORATION  
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 October 22, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of November, 1975, 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, Gulf Oil Corporation, is the owner and operator of the H. T. Mattern Wells Nos. 4 and 8 and the Harry Leonard Well No. 17, located, respectively, in Unit B of Section 1, Township 22 South, Range 36 East, Unit E of Section 6, Township 22 South, Range 37 East, and Unit C of Section 36, Township 21 South, Range 36 East, NMPM, all in Lea County, New Mexico.

(3) That each of said wells is presently completed in and producing from the Drinkard formation only.

(4) That the applicant proposes to perforate each of said wells to also produce from the Blinebry formation, and to commingle said Blinebry production with the Drinkard production in the wellbore of each of said wells.

(5) That from the Drinkard formation, each of said wells is capable of marginal production only.

(6) That it is expected that the Blinebry formation will be capable of marginal production only upon completion of said wells in said formation.

(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 in the aforesaid wells is expected to be 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 Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time any of the subject wells are shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in each of the subject wells, the operator, upon completion of the wells, should consult with the supervisor of the Hobbs district office of the Commission to determine an allocation formula.

(11) That an administrative procedure should be established whereby additional wells may be completed in the manner described above on applicant's H. T. Mattern and Harry Leonard Leases.

(12) That the authority for downhole commingling of production in the wellbores of the subject wells or in wells approved by administrative procedure should be subject to rescission by the Secretary-Director of the Commission and the requirement for down-hole separation equipment in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which render down-hole commingling inadvisable.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore of its H. T. Mattern Wells Nos. 4 and 8 and its Harry Leonard Well No. 17 located, respectively, in Unit B of Section 1, Township 22 South, Range 36 East; Unit E of Section 6, Township 22 South, Range 37 East; and Unit C of Section 36, Township 21 South, Range 36 East, all in Lea County, New Mexico.

(2) That upon completion of each of said wells to produce from both the Blinebry and Drinkard formations, the applicant shall consult with the supervisor of the Hobbs district office of the Commission to determine the proper formula for allocation of oil and gas production to each zone open in the wells.

(3) That the operator of the subject wells shall immediately notify the Commission's Hobbs district office any time any of said wells have been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That the Secretary-Director of the Commission may authorize the completion of other wells on applicant's H. T. Mattern and Harry Leonard Leases in Section 36, Township 21 South, Range 36 East, NMPM, Section 1, Township 22 South, Range 36 East, NMPM, and Sections 6 and 7, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in the manner described in Order No. (1) above and subject to the provisions of this order when the application for such commingling is filed in accordance with the applicable provisions of Rule 303 C 2 of the Commission Rules and Regulations.

(5) That the Secretary-Director of the Commission shall have authority to rescind downhole commingling authority for any well approved for such commingling by this order or pursuant to the provisions of Order No. (4) above in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which in his opinion render downhole commingling inadvisable.

(6) 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 herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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