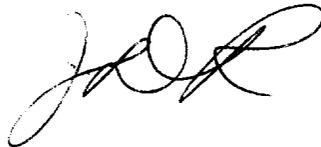


Entered March 10, 1976



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. 5642
Order No. R-5179

APPLICATION OF PENROC OIL CORPORATION
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 3, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of March, 1976, 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, Penroc Oil Corporation, is the owner and operator of the JCW-State Well No. 1, located in Unit O of Section 2, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant seeks authority to commingle Canyon and Morrow zones within the wellbore of the above-described well.
- (4) That through error, the production packer in said well was set above the Canyon zone perforations rather than below.
- (5) That from the Canyon zone, the subject well is incapable of production.
- (6) That from the Morrow zone, the subject well is capable of low marginal production only.
- (7) That the proposed commingling will not cause waste, will not violate correlative rights, and will permit the applicant to avoid the unnecessary expense involved in resetting the packer in said well.

-2-

Case No. 5642
Order No. R-5179

(8) That 100 percent of the commingled production should be allocated to the Morrow zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Penroc Oil Corporation, is hereby authorized to commingle Canyon and Morrow zones within the wellbore of the JCW-State Well No. 1, located in Unit O of Section 2, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

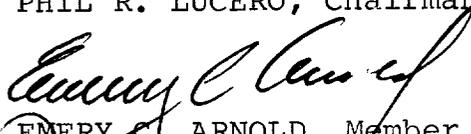
(2) That 100 percent of the production shall be allocated to the Morrow zone.

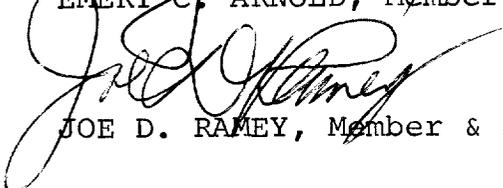
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/