

Entered October 2, 1981
JR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7312
Order No. R-6791

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

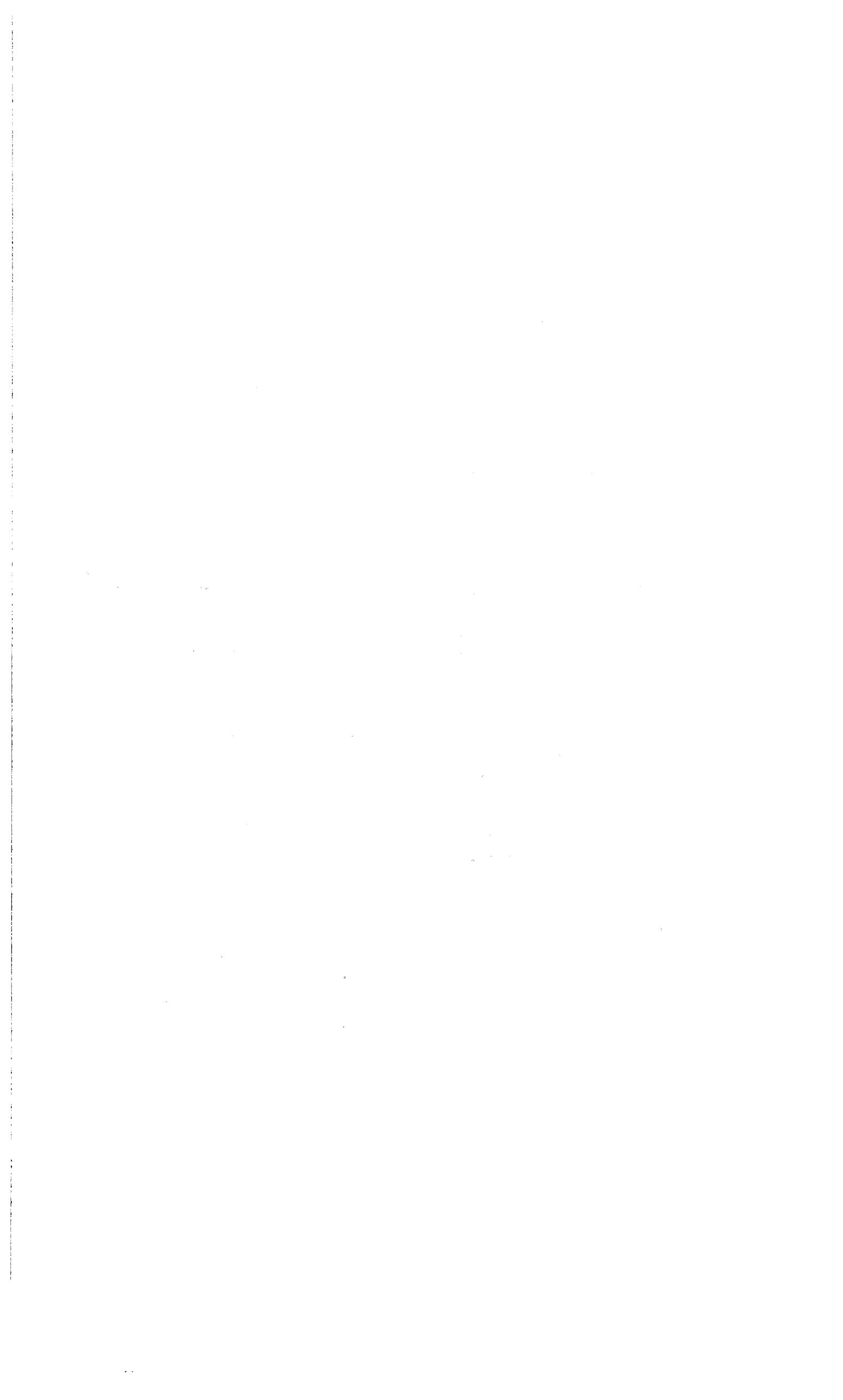
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 29, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of October, 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, Phillips Petroleum Company, is the owner and operator of the Malaga A Well No. 2, located in Unit D of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant seeks authority to commingle Atoka and Morrow production within the wellbore of the above-described well.
- (4) That from the Atoka zone, the subject well is capable of very low marginal production only.
- (5) That from the Morrow zone, the subject well is capable of very 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.



-2-

Case No. 7312
Order No. R-6791

(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 if said well should be shut-in for any reason, crossflow could occur between zones.

(9) That the applicant should be required to install a check valve, rated for at least a 5000-pound differential, between the zones to be commingled.

(10) That the applicant should notify the Division's district office at Artesia of the date and time the check valve is to be run in the well in order that the same may be witnessed.

(11) 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.

(12) That in order to allocate the commingled production to each of the commingled zones in the subject well, 54 percent of the commingled production should be allocated to the Atoka zone, and 46 percent of the commingled production to the Morrow zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to commingle Atoka and Morrow production within the wellbore of the Malaga A Well No. 2, located in Unit D of Section 2, Township 24 South, Range 28 East, NMPM, Malaga Field, Eddy County, New Mexico.

(2) That 54 percent of the commingled production shall be allocated to the Atoka zone and 46 percent of the commingled production shall be allocated to the Morrow zone.

(3) That the operator shall install a check valve, rated for at least a 5000-pound differential, between the zones to be commingled.

(4) That the operator shall notify the Division's district office at Artesia of the date and time the check valve is to be run in the well in order that the same may be witnessed.



-3-

Case No. 7312

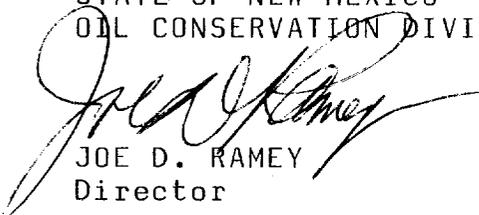
Order No. R-6791

(5) 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.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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