

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9660
Order No. R-8929

APPLICATION OF MOBIL PRODUCING
TEXAS AND NEW MEXICO INC. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 26, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 10th day of May, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Mobil Producing Texas and New Mexico Inc., seeks approval to commingle production from the Drinkard and Blinebry Oil and Gas Pools within the wellbore of its Brunson Argo Well No. 6 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The subject well has been dually completed in the Blinebry and Drinkard zones since approximately 1977 and, at the present time, both zones are classified as gas and are capable of marginal production only.

(4) The subject well is currently flowing from both the Blinebry and Drinkard zones and, according to testimony

by the applicant, the gas production from each of the zones is being curtailed due to fluid buildup in the wellbore.

(5) As a method of accomplishing the proposed commingling, the applicant intends to install pumping equipment on the subject well which will reduce fluid buildup which should in turn result in the recovery of additional reserves from each of the zones which may otherwise not be recovered, thereby preventing waste.

(6) Inherent in the approval of the proposed commingling is the possibility that the subject well may be required to be shut in due to overproduction of gas in the Blinebry Oil and Gas Pool, which is a prorated gas pool subject to the Rules and Regulations for the Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170, as amended.

(7) Testimony by the applicant indicates, however, that no loss of reserves would likely result if the well is shut in as described above.

(8) No offset operator appeared at the hearing in opposition to the proposed commingling.

(9) Approval of the proposed commingling will result in the recovery of additional reserves from the Blinebry and Drinkard zones, thereby preventing waste, and will not violate correlative rights.

(10) 70 percent of the production from the subject well should be allocated to the Blinebry zone and 30 percent should be allocated to the Drinkard zone.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Mobil Producing Texas and New Mexico Inc., is hereby authorized to commingle production from the Drinkard and Blinebry Oil and Gas Pools within the wellbore of its Brunson Argo Well No. 6 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The Director of the Division shall require the subject well to be shut in should the subject gas proration

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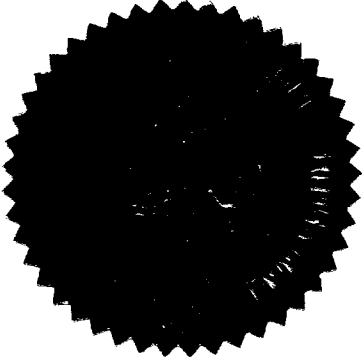
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unit become overproduced in the Blinebry Oil and Gas Pool in accordance with the terms and conditions of Rule 11 (b) (2) of the General Rules for the Prorated Gas Pools in New Mexico as promulgated by Order No. R-8170, as amended.

(3) 70 percent of the production from the subject well shall be allocated to the Blinebry zone and 30 percent shall be allocated to the Drinkard zone.

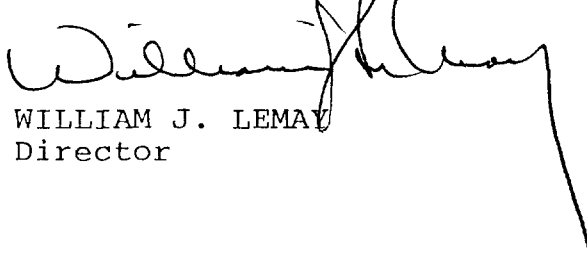
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', written over the typed name and title.

WILLIAM J. LEMAY
Director

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