



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

March 10, 1966

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Owen Lopez
Hinkle, Cox, Eaton,
Coffield, & Jensler
Attorneys at Law
Post Office Box 2060
Santa Fe, New Mexico

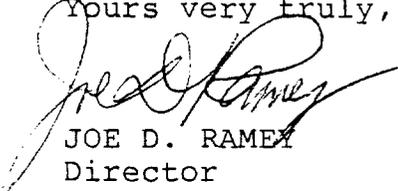
Re: CASE NO. 9253
ORDER NO. R-7627

Applicant:
The Roadway Company, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,



JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD _____
Artesia OCD _____
Aztec OCD _____

Other _____

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. 8258
Order No. R-7627

APPLICATION OF THE RONADERO COMPANY,
INC. FOR DOWNHOLE COMMINGLING AND DUAL
COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of August, 1984, 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, The Ronadero Company, Inc., is the owner and operator of its Rob Clay State Well No. 1 located 650 feet from the North line and 1980 feet from the West line of Section 23, Township 12 South, Range 32 East, the SE/4 NW/4 of said Section 23 to be dedicated to the well.
- (3) Applicant further seeks authority to commingle Devonian and Pennsylvanian production within the wellbore of the above-described well utilizing the Pennsylvanian gas production for downhole gas lift.
- (4) That the mineral ownership of the Devonian and Pennsylvanian formations is identical.
- (5) That the proposed commingling may result in the recovery of additional hydrocarbons from the subject pools, thereby preventing waste, and will not violate correlative rights.
- (6) 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.

(7) 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 Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 94 percent of the commingled gas production and 5 percent of the commingled oil production should be allocated to the Pennsylvanian zone, and 6 percent of the commingled gas production and 95 percent of the commingled oil production to the Devonian zone.

(9) Applicant further seeks authority to dually complete the two zones in the event the commingling of the production proves unworkable.

(10) That in its current mechanical configuration, the Pennsylvanian zone cannot be efficiently produced in said well and that portion of the subject application seeking dual completion should be denied.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Ronadero Company, Inc., is hereby authorized to commingle Devonian and Pennsylvanian production in the wellbore of its Rob Clay State Well No. 1 located 1650 feet from the North line and 1980 feet from the West line of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico, the SE/4 NW/4 of said Section 23 to be dedicated to the well.

PROVIDED HOWEVER, that said commingling shall be achieved by installation of a gas lift valve with a check valve at 9,000 feet and gas lift valves at approximately 2,000, 2,500, 3,000, 3,500, 4,000, and 4,500 feet on the Devonian production tubing in said well, the Pennsylvanian gas production being used to gas lift Devonian and Pennsylvanian oil production.

(2) That in order to allocate the commingled production to each of the commingled zones in the subject well, 94 percent of the commingled gas production and 5 percent of the commingled oil production should be allocated to the Pennsylvanian zone, and 6 percent of the commingled gas production and 95 percent of the commingled oil production to the Devonian zone.

-3-

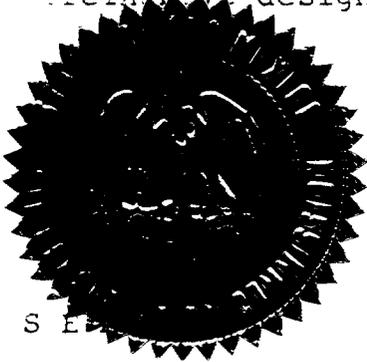
Case No. 8258
Order No. R-7627

(3) That the operator of the subject well shall immediately notify the Division's Hobbs 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.

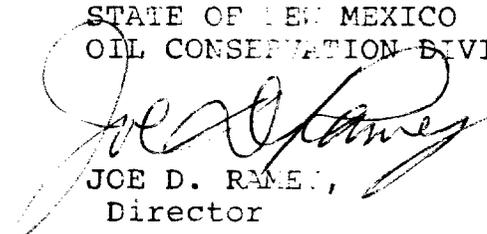
(4) That that portion of the subject application seeking dual completion of said Bob Clay State Well No. 1 is hereby denied.

(5) 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 hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMER,
Director

S E