

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. 8315
Order No. R-7680

APPLICATION OF GETTY OIL COMPANY
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 22, 1984, and on September 19, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of September, 1984, 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, Getty Oil Company, is the operator of the Skelly Unit located in the following described lands in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Sections 14 and 15: All
Sections 21 through 23: All
Section 26: N/2 NW/4
Section 27: NW/4, W/2 NE/4, and NE/4 NE/4
Section 28: N/2 and N/2 S/2

(3) The applicant seeks authority to commingle Grayburg-Jackson Pool and Fren-Seven Rivers Pool production within the wellbores of all existing production wells and all producing wells subsequently drilled in the above-described lands.

(4) Both zones are currently being waterflooded.

(5) From each of said zones, the subject wells are or are expected to be capable of marginal production only.

(6) 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.

(7) The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that no well is shut-in for an extended period.

(8) 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 any of the subject wells is shut-in for 7 consecutive days.

(9) In order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Getty Oil Company, is hereby authorized to commingle Grayburg-Jackson Pool and Fren-Seven Rivers Pool production within the wellbore of all existing producing wells and all producing wells subsequently to be drilled in the Skelly Unit, consisting of the following described lands in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMEM
Sections 14 and 15: All
Sections 21 through 23: All
Section 26: N/2 NW/4
Section 27: NW/4, W/2 NE/4, and NE/4 NE/4
Section 28: N/2 and N/2 S/2

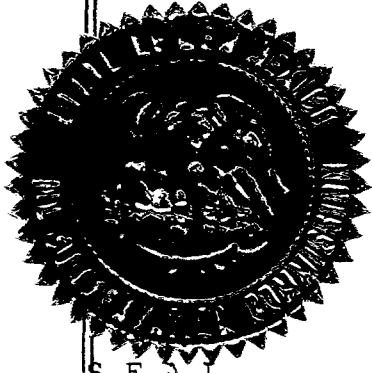
(2) The applicant shall consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(3) The operator of the subject wells shall notify the Division's Artesia district office any time any of the subject wells has been shut-in for 7 consecutive days and shall concurrently present to the Division a plan for remedial action.

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(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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets

R. L. STAMETS
Acting Director

S E A L

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