

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. 9269
Order No. R-8613

APPLICATION OF MEWBOURNE OIL
COMPANY 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 December 2, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of March, 1988, 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, Mewbourne Oil Company, is the owner and operator of the Gulf State Well No. 1, located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 36, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) The applicant seeks authority to commingle production from the Blinebry Oil and Gas, Undesignated Warren-Tubb Gas, East Warren-Drinkard and DK-Abo Pools within the wellbore of the above-described well.

(4) Sufficient evidence was presented at the hearing which indicates that production from both the Blinebry and Tubb zones should be properly classified as "oil" pursuant to the Special Rules governing the Blinebry Oil and Gas Pool (R-8170) and the Warren-Tubb Gas Pool (R-1234).

(5) From each of the zones, the subject well is capable of low 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 the well is not 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 Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) Allocation of the commingled production from the subject well should be as follows:

	<u>OIL %</u>	<u>GAS %</u>
Blinebry	35	58
Tubb	15	21
Drinkard	15	6
Abo	35	15

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Mewbourne Oil Company, is hereby authorized to commingle production from the Blinebry Oil and Gas, Undesignated Warren-Tubb Gas, East Warren-Drinkard, and DK-Abo Pools within the wellbore of its Gulf State Well No. 1, located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 36, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) Production of the commingled zones from the subject well shall be allocated as follows:

	<u>OIL %</u>	<u>GAS %</u>
Blinebry	35	58
Tubb	15	21
Drinkard	15	6
Abo	35	15

(3) 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.

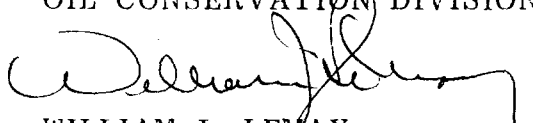
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



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OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director