

well file
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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. 11103
Order No. R-10219

APPLICATION OF MOBIL EXPLORATION
& PRODUCING U.S. 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 September 29, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 14th day of October, 1994, 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 Exploration & Producing U.S. Inc. (Mobil), seeks approval to downhole commingle North Vacuum-Abo, Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pool production within the wellbore of its North Vacuum Abo Unit/Bridges State Well No. 104 located 520 feet from the North line and 2120 feet from the East line (Unit B) of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) The subject well is currently a dual completion producing from the North Vacuum-Abo Pool and the commingled Vacuum Wolfcamp/Vacuum-Upper Pennsylvanian Pools (commingled under the authority of Division Order No. DHC-725 dated May 8, 1989).
- (4) Current production from the subject well in the North Vacuum-Abo and Vacuum-Wolfcamp/Vacuum-Upper Pennsylvanian Pools is 60/37 BOPD and 30/50 MCFGD, respectively.

(5) According to applicant's evidence and testimony, the current wellbore configuration results in frequent mechanical failures which results in high operating costs.

(6) The applicant seeks authority to downhole commingle the production described above due to the marginal nature of the producing horizons, and also to reduce operating costs which may extend the economic life of the well thereby resulting in the recovery of a greater amount of oil and gas, thereby preventing waste.

(7) The subject well is a producing well within the applicant's North Vacuum Abo Unit, a pressure maintenance project within the North Vacuum-Abo Pool.

(8) The interest ownership between the North Vacuum-Abo Pool and the Vacuum-Wolfcamp/Vacuum-Upper Pennsylvanian Pools is not common.

(9) The applicant has sought approval to downhole commingle the subject well from all of the interest owners in the well, and as of the date of the hearing, 99 percent of the interest owners have approved the proposal.

(10) The applicant further demonstrated through its evidence and testimony that:

- a) there will be no crossflow between the commingled pools;
- b) none of the commingled zones exposes the others to damage by produced liquids;
- c) the fluids from each of the zones are compatible with the others;
- d) the bottomhole pressure of the lower pressure zone should not be less than 50 percent of the bottomhole pressure of the higher pressure zone adjusted to a common datum; and,
- e) the value of the commingled production is not less than the sum of the values of the individual production.

(11) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(12) In the interest of prevention of waste and protection of correlative rights, the subject application should be approved.

(13) Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pool production from the subject well is currently allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>
Vacuum-Wolfcamp	4%
Vacuum-Upper Pennsylvanian	96%

(14) Production from the subject well should be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>OIL</u>	<u>GAS</u>
Vacuum-Abo	62%	38%
Vacuum-Wolfcamp	1%	2%
Vacuum-Upper Pennsylvanian	37%	60%

(15) To afford the Division an opportunity to assess the potential of waste and to expeditiously order the appropriate remedial action, the operator should notify the Hobbs District Office of the Division any time the subject well is shut-in for seven consecutive days.

(16) Division Order No. DHC-725 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Mobil Exploration & Producing U.S. Inc., is hereby authorized to downhole commingle North Vacuum-Abo, Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pool production within the wellbore of its North Vacuum Abo Unit/Bridges State Well No. 104 located 520 feet from the North line and 2120 feet from the East line (Unit B) of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

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

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>OIL</u>	<u>GAS</u>
Vacuum-Abo	62%	38%
Vacuum-Wolfcamp	1%	2%
Vacuum-Upper Pennsylvanian	37%	60%

(3) The operator shall immediately notify the supervisor of the Hobbs District Office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

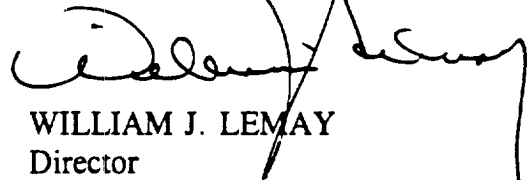
(4) Division Order No. DHC-725 is hereby superseded by this order.

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(5) Jurisdiction is hereby 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


WILLIAM J. LEMAY
Director

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