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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. 9398
Order No. R-8707

APPLICATION OF EXXON CORPORATION FOR
DOWNHOLE COMMINGLING, SIMULTANEOUS
DEDICATION AND AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 8, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of August, 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) Division Case Nos. 9398 and 9399 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Exxon Corporation, seeks approval to commingle production from the Drinkard, Tubb Oil and Gas, and Blinbry Oil and Gas Pools within the wellbore of its N. G. Penrose Wells Nos. 1 and 2 located, respectively, 660 feet from the North line and 1980 feet from the East line (Unit B) and 1980 feet from the North line and 660 feet from the East line (Unit H), of Section 13, Township 22 South, Range 37 East, NMPM, and to commingle production from the

Drinkard, Wantz-Granite Wash, Blinebry Oil and Gas, and Tubb Oil and Gas Pools within the wellbore of its N. G. Penrose Well No. 4 located 350 feet from the North line and 660 feet from the East line (Unit A) of said Section 13.

(4) The applicant further seeks approval of an unorthodox gas well location for its N.G. Penrose Well No. 4 (as described above) within the Tubb Oil and Gas Pool, and the simultaneous dedication of the NE/4 of said Section 13 to the N.G. Penrose Wells Nos. 1, 2, and 4 within the Tubb Oil and Gas Pool.

(5) The evidence presented in this case indicates that the N.G. Penrose Wells Nos. 1 and 2 are currently multiple completions in the Blinebry and Tubb Oil and Gas Pools, and that the N.G. Penrose Well No. 4 is currently a single completion in the Wantz-Granite Wash Pool.

(6) The latest production tests from the N.G. Penrose Well No. 1 indicate that the Blinebry zone, which has not produced since 1976, is capable of producing approximately 8 MCFGD and no fluid and that the Tubb zone is capable of producing approximately 17 MCFGD and no fluid.

(7) The latest production tests from the N.G. Penrose Well No. 2 indicate that the Blinebry zone, which was tested in September, 1976, but has never produced, is capable of producing approximately 59 MCFGD and no fluid and that the Tubb zone is capable of producing approximately 50 MCFGD and no fluid.

(8) The latest production test from the N.G. Penrose Well No. 4 indicates that the Wantz-Granite Wash zone is capable of producing approximately 15 BOPD and 82 MCFGD.

(9) The production data presented indicates that the N.G. Penrose Wells Nos. 1, 2, and 4 are capable of low marginal production only from the Blinebry and Tubb Oil and Gas Pools and the Wantz-Granite Wash Pool.