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Case No. 10879

Order No. R-10033

(12) Texaco proposes to allocate production in each well as follows:

- (a) Obtain a stabilized Jalmat test prior to commingling.
- (b) Obtain a stabilized test of both zones after commingling.
- (c) Calculate an allocation percentage for oil and a separate allocation percentage for gas for each well based on the above tests.

(13) Texaco's witness testified that they cannot economically justify the drilling of the five wells proposed in this application if downhole commingling is not authorized. The wells are needed to improve ultimate recovery of the project.

(14) No interested party appeared at the hearing and objected to the application.

(15) Approval of this application for downhole commingling will prevent waste and will not harm correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Texaco, is hereby authorized to downhole commingle Jalmat and Langlie Mattix oil and gas production within seven wells in its Cooper Jal Unit located in Sections 13 and 24, Township 24 South, Range 36 East and Section 19, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. Locations for the seven wells are shown in Exhibit "A" attached.

(2) Allocation of commingled production for each well shall be determined using the method set out in Finding Paragraph (12) of this order.

(3) The applicant shall notify the Supervisor of the Hobbs district office prior to conducting the tests to be used in calculating allocation percentages. Complete results of all such tests shall be submitted to both the Hobbs district office and the Division office in Santa Fe.

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