

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. 6341
Order No. R-5857

APPLICATION OF SUPRON ENERGY
CORPORATION FOR DUAL COMPLETIONS
AND DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 8, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of November, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Supron Energy Corporation, seeks the dual completion of its Jicarilla "A" Well No. 8 located in Unit E of Section 23; its Jicarilla "E" Well No. 7 located in Unit P of Section 15; and its Jicarilla "E" Well No. 8 located in Unit C of Section 15, all in Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Mesaverde formation through tubing and to produce commingled Gallup and Dakota production through a separate string of tubing with separation of the Mesaverde zone from the commingled zones by means of a packer.

(3) That the mechanics of the proposed dual completions are feasible and in accord with good conservation practices.



MC
MV & Gal-Book
DHC - Gal-Book

(4) That 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.

(5) That the reservoir characteristics of the Gallup and Dakota formations in each of the subject wells are such that underground waste would not be caused by the proposed commingling provided that the wells are not shut in for an extended period.

(6) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time any of the subject wells is shut in for 7 consecutive days.

(7) That in order to allocate the commingled production to each of the commingled zones in the subject wells, applicant should conduct tests during completion operations, and should consult with the supervisor of the Division's Aztec office to arrive at an allocation formula.

(8) That approval of the subject application will prevent waste and protect correlative rights.

(9) That Division Orders Nos. MC-1777, MC-1803, and MC-1802, which authorized the dual completion of the subject wells, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Supron Energy Corporation, is hereby authorized to dually complete its Jicarilla "A" Well No. 8 located in Unit E of Section 23; its Jicarilla "E" Well No. 7 located in Unit P of Section 15; and its Jicarilla "E" Well No. 8 located in Unit C of Section 15, all in Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to each produce gas from the Mesaverde formation through tubing and to produce commingled Gallup and Dakota production through a separate string of tubing with separation of the Mesaverde zone from the commingled zones to be achieved by means of a packer..

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said wells in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the prorated gas wells in Northwest New Mexico.

(2) That the applicant, during completion operations on the subject wells, shall conduct tests, and shall consult with the supervisor of the Division's Aztec office to determine a formula for allocation of production to each zone in each well.

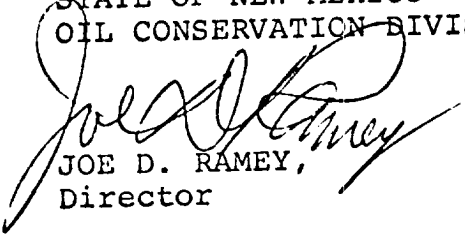
(3) That the operator of the subject wells shall immediately notify the Division's Aztec district office any time any such well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That Division Orders Nos. MC-1777, MC-1803, and MC-1802 are hereby superseded.

(5) That 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


JOE D. RAMEY,
Director

S E A L

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