

Case No.

93

Application, Transcript,
Small Exhibits, Etc.

NEW MEXICO OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN REPLY TO THE HEARING ORDER BY
THE NEW MEXICO OIL CONSERVATION COMMISSION
FOR THE PURPOSE OF ORDER HEARD:

OK. 10. 92

OK. 10. 711

IN THE MATTER OF THE APPLICATION OF OIL
OIL CORPORATION FOR A SPECIAL ORDER
PERMITTING PRODUCTION FROM MORE THAN
ONE HORIZON OR FOOT THROUGH A SINGLE WELL
BORE IN THE PADLOCK, DRAINAGE, BURNING,
JONES AND BURNING POOLS, NEW COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on regularly for hearing at ten o'clock A.M. on January
10th and April 15, 1947 at Santa Fe, New Mexico, before the Oil Conservation
Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 16th day of June 1947, the Commission after hearing testi-
mony adduced, determined that no action should be taken in the matter at this
time.

IT IS THEREFORE ORDERED:

That this case do, and the same hereby is, dismissed without prejudice.

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

OIL CONSERVATION COMMISSION

Thomas J. Mabey
CHAIRMAN

John E. Miles,
MEMBER

R. L. Spencer
MEMBER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
GULF OIL CORPORATION, for the issuance :
of a Special Order permitting the pro- :
duction of more than one horizon through :
a single well bore in the Paddock, :
Drinkard, Brunson, Jones, and Blinbry :
Pools, Lea County, New Mexico. :

A P P L I C A T I O N

COMES NOW THE GULF OIL CORPORATION, hereinafter called the applicant,
and shows to the Honorable Oil Conservation Commission of the State of New Mex-
ico that:

1. Gulf Oil Corporation is incorporated in the State of Pennsylvania
and is duly authorized to do business in the State of New Mexico.

2. Gulf Oil Corporation is actively engaged in the exploration, devel-
opment and production of oil and gas in the State of New Mexico, and that Gulf
Oil Corporation is one of the larger producers of crude oil in that state.

3. Gulf Oil Corporation owns and operates 23 producing wells and
seven drilling wells within the said pools and owns leases on approximately
4000 surface acres within or adjacent to said pools.

4. There is no provision in existing general rules or orders govern-
ing the production from more than one horizon through a single well bore except
Order No. 4, Rule No. 6, which is quoted as follows: "Before any oil or gas
well is completed as a producer, all oil, gas and water strata above the produc-
ing horizon shall be sealed or separated, in order to prevent their contents from
passing into other strata".

5. Developments in drilling and completion practice over the past sev-
eral years have proven the feasibility of producing, without coningling, more than
one horizon through a single well bore. With increased drilling depths and greater
drilling costs, such multiple completion practice provides, in many areas, a means
for more economically drilling and completing, and in some cases will undoubtedly

permit the exploitation of horizons which could not or probably would not otherwise be produced or explored, thereby increasing economic recovery.

6. Pools listed in this application are, in many instances, contiguous and overlapping. It is indicated that as many as four different horizons may be productive at the same location in some parts of the area. Production is presently being obtained from five horizons; namely, the Paddock, Blinbry, Tubb, Drinkard and Ellenberger, which horizons occur at approximately depths of 5200 feet, 5500 feet, 6150 feet, 6500 feet, and 7800 feet respectively. In the opinion of the applicant the production of more than one zone through a single well bore will greatly facilitate the economic exploitation and recovery of the various pay zones, and would be a conservation measure and in the public interest. It is further considered that such completion practice should be controlled in order to protect correlative rights. The following measures are suggested as being reasonable and adequate:

(a) There shall be no comingling of oil from different horizons, within a single well bore, except as specifically authorized by the Commission. Where such comingling is authorized, the maximum allowable shall be the same as that of non-marginal individual wells producing from the highest horizon. Except where comingling is specifically authorized, wells shall be maintained and operated at all times in such manner as to prevent subsurface comingling of fluids from the separate horizons and that the Director be authorized to require such tests as he may deem necessary to assure segregation.

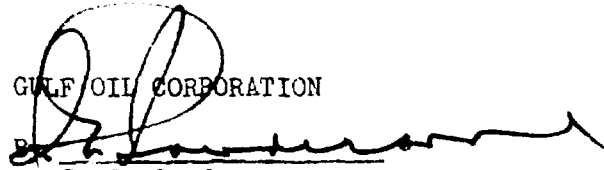
(b) Applications for completion in more than one horizon shall show the name and location of the producing horizons, casing plan, location of packer or packers, location of perforations, proposed method of production and any other pertinent data. Not more than one horizon shall be produced from uncased hole.

(c) Completion record (Form O-108) shall show all details of the completion including name and depth of each producing horizon, casing records, depth of perforations, type of packer or packers and depth set, method of producing each horizon, initial production from each horizon and all other pertinent data.

(d) Each producing horizon of a well producing from more than one horizon shall be subject, in so far as applicable, to all general rules and regulations applying to individual wells producing from only one horizon.

Wherefore your applicant prays that this Honorable Commission promulgate a special order, applicable to the combined Paddock, Drinkard, Brunson, Jones, and Blinbry pools, or other pools that may be developed in such area, that will permit the production of more than one horizon through a single well bore.

Respectfully submitted,


GULF OIL CORPORATION

S. G. Sanderson
Manager of Production

Dec. 16, 1946

CIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

December 20, 1946

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The Artesia Advocate
Artesia, New Mexico

Gentlemen:

Re: Cases Nos. 90, 91 and 94 - Notice of Publication.

Please publish the enclosed notice once, immediately.
Please proof-read the notice carefully and send a copy of the
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S
AFFIDAVIT.

For payment please submit statement in duplicate, accompanied
by voucher executed in duplicate. The necessary blanks are en-
closed.

Very truly yours,

Chief Clerk and Legal Adviser

CEL:mm
Encl

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, as provided by law, hereby gives notice of the following hearings to be held at Santa Fe, New Mexico, at 10:00 A. M., January 10, 1947:

Case 90

In the matter of the application of Stanolind Oil and Gas Company for modification of the rules and regulations of the Commission with respect to the periods prescribed for waiting on cement in connection with the cementing of casing.

Case 91

In the matter of the application of Gulf Oil Corporation for the promulgation of an Order revising Rule 15, General Order No. 4 "Oil Tanks and Fire Walls".

Case 94

In the matter of the application of the Gulf Oil Corporation for the promulgation of a General Order permitting and controlling production from more than one horizon or pool through a single well bore.

Given under the seal of said Commission at Santa Fe, New Mexico on December 20, 1946.

OIL CONSERVATION COMMISSION

By: (Signed) R. R. SPURRIER, Secretary

SEAL