Entered February 5, 1939

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 1557 Order No. R-1298-A

APPLICATION OF CITIES SERVICE OIL COMPANY FOR AN OIL-OIL DUAL COMPLETION IN THE BLINEBRY OIL POOL AND IN AN UNDESIGNATED GLORIETA OIL POOL IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 19, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations, and Order No. R-1298 was entered denying the subject application, and this cause came on for hearing de novo at 9 o'clock a.m. on January 14, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico.

NOW, on this <u>2nd.</u> day of February, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Cities Service Oil Company, is the owner and operator of the State "P" No. 3 Well, located 990 feet from the South line and 990 feet from the West line of Section 32, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the said State "P" No. 3 Well in such a manner as to permit the production of oil from the Blinebry Oil Pool and the production of oil from an undesignated Glorieta oil pool through parallel strings of 2-inch tubing utilizing a dual-zone pump operated by a single rod string.
- (4) That there is an inherent risk of communication between the separate zones of any dually completed well which is augmented by the use of dual-zone pumping equipment; however, the

-2-Case No. 1557 Order No. R-1298-A

evidence in this particular case indicates that sand will present no problem, and that the effect of corrosion will be held to a minimum by the use of corrosion-resistant materials.

- (5) That the evidence presented justifies the granting of the subject application on a one-year trial basis provided that adequate tests are taken periodically to insure that communication is not occurring.
- (6) That during the one year trial period the Commission should be notified if it becomes necessary to remove the dual-zone pumping equipment from the well.
- (7) That upon the completion of one year's service in the well, the dual-zone pumping equipment should be removed from the well and a complete examination made thereof, including pressure testing while the lower polished rod is in motion through the seal assembly.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, be and the same is hereby authorized to dually complete its State "P" No. 3 Well, located 990 feet from the South line and 990 feet from the West line of Section 32, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinebry Oil Pool and the production of oil from an undesignated Glorieta oil pool through parallel strings of 2-inch tubing utilizing a dual-zone pump operated by a single rod string.

PROVIDED HOWEVER, That the use of the dual zone pump in said State "P" No. 3 Well is approved on a one-year trial basis.

- (2) The Secretary-Director be and the same is hereby authorized to approve the continued use of said dual-zone pumping equipment in the subject well beyond the one-year trial period upon a satisfactory showing by the prescribed tests that commingling between the two separate zones is not occurring.
- (3) That the Commission shall be notified at any time within the one-year trial period if it becomes necessary to remove the dual-zone pumping equipment from said State "P" No. 3 Well prior to such removal.
- (4) That the operator shall make all such tests as the Secretary-Director shall prescribe from time to time.
- (5) That upon the completion of one year's service in the subject well the dual-zone pumping equipment shall be removed from said well and a complete examination made thereof, including pressure

-3-Case No. 1557 Order No. R-1298-A

testing while the lower polished rod is in motion through the seal assembly. Results of such pressure test shall be submitted to the Commission.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr./ Member & Secretary

SEAL