

entered November 2, 1978

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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. 6225  
Order No. R-5736

APPLICATION OF PETROLEUM  
DEVELOPMENT CORPORATION FOR  
A DUAL COMPLETION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on May 17, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd 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, Petroleum Development Corporation, seeks authority to complete its Sun McKay Federal Well No. 2, located in Unit G of Section 10, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Wolfcamp formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.
- (3) That the Morrow formation producing gas-liquid ratio is very low, being less than 30,000 cubic feet of gas per barrel of condensate.
- (4) That the Division has heretofore determined that the production of condensate from low gas-liquid ratio gas wells through the casing-tubing annulus is inefficient,

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requires an excessive amount of reservoir energy, and causes waste.

(5) That the Division has a long-established policy of prohibiting the production of low gas-liquid ratio gas wells through the casing-tubing annulus in the absence of evidence disproving those determinations cited in Finding No. (4) above.

(6) That the applicant in this case offered no evidence to disprove said determinations.

(7) That the application should be denied.

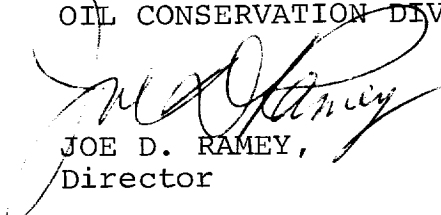
IT IS THEREFORE ORDERED:

(1) That the application of Petroleum Development Corporation to complete its Sun McKay Federal Well No. 2, located in Unit G of Section 10, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Wolfcamp formation through tubing and gas from the Morrow formation through the casing tubing annulus by means of a cross-over assembly is hereby denied.

(2) 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

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