



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

TO: District Supervisors; Lori Wrotenbery; Mike Stogner; David Catanach; Mark Ashley; Roy
Johnson

FROM: Rand Carroll

A handwritten signature in black ink, appearing to be "RC" or "Rand Carroll".

RE: Proposed amendments to Rule 107--Tubingless completions

DATE: December 17, 1998

Please give me your comments on the attached. I will docket it for hearing in January or February
if it looks OK to you all.

710

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NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

September 14, 1998

Lyn Hebert, Esq.
Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: proposed change to Rule 107

Dear Lyn:

Burlington Resources Oil & Gas Company and the Regulatory Practices Committee of the New Mexico Oil & Gas Association would like the Commission to consider changes to Rule 107.J and Rule 107.K both of which deal with "tubingless" completions.

I have enclosed a copy of the three suggested changes which seek to:

- (a) increase the casing size from 2-7/8 inches to 3-1/2 inches;
- (b) authorize the use of 3-1/2 inch tubing; and
- (c) confine the 5,000 depth limit to oil wells.

I have discussed these changes with Roy Johnson of the Division. Currently, Roy is processing the administrative application for tubingless completions and has approved them without exception. We believe that no party has ever entered an objection in one of these cases. In addition, Roy suggested that this activity should be processed in the district.

I would appreciate you advising me how you recommend that we docket this case for hearing.

Regards,


W. Thomas Kellahin

cfx: Burlington Resources Oil & Gas Company
Attn: Alan Alexander
Regulatory Practices Committee of NMOGA
Attn: Rick Foppiano, Co-Chairman

PROPOSED RULE CHANGE

Rule 107.J Requirements for tubing of wells are as follows:

- (1) All flowing oil wells equipped with casing larger in size than 2-7/8 inch OD shall be tubed.
- (2) All gas wells equipped with casing larger in size than 2-7/8 ~~3-1/2~~ inch OD shall be tubed.
- (3) Tubing shall be set as near the bottom as practical and tubing perforations shall not be more than 250 feet above the top of the pay.
- (4) The Division Director ~~may~~, upon ~~proper~~ application, ~~may~~ grant administrative exceptions to the provisions of subparagraph (2) and (3) above, without ~~notice and hearing~~, provided waste will not be caused ~~thereby~~.

Rule 107.K The Division's District Supervisor or their representatives shall have authority to approve tubingless completions without the necessity of administrative approval or ~~notice and hearing~~, when the following conditions exist:

- (1) ~~A gas well at any depth~~
- (2) ~~The~~ ~~An oil~~ well is to be completed with a total depth of 5,000 feet or less,
- (3) The well is not a wildcat (its is more than one mile from an existing well producing from the same common source of supply to which it is projected);
- (4) No known corrosive or pressure problems exist when might make the tubingless method of completion undesirable,
- (5) The well will not be a dual completion,
- (6) The tubing used as a substitute for casing ~~in an oil well~~ will be either 2-3/8-inch OD or 2-7/8-inch OCD ~~and in a gas well will be 3-1/2-inch OD~~