

Stogner, Michael

From: Williams, Chris
Sent: Tuesday, December 22, 1998 3:03 PM
To: Stogner, Michael
Subject: RE: Rule 112-A: Multiple Completions

Mike, inside the word document, I've highlighted some changes. Thanks Chris

From: Stogner, Michael
Sent: Tuesday, December 22, 1998 11:36 AM
To: Chavez, Frank; Gum, Tim; Williams, Chris; Johnson, Roy; Wrotenbery, Lori; Carroll, Rand; Davidson, Florene
Cc: Hebert, Lyn; Busch, Ernie; Arrant, Bryan; Kautz, Paul; Catanach, David; Ashley, Mark
Subject: Rule 112-A: Multiple Completions

Attention All Ya'll:

Please comment on the up-coming proposed Rule changes to 112-A which serves to:

- (1) simplify/streamline the process for the operators;
- (2) expand the authority and responsibility to the Districts; and
- (3) is less cumbersome to administer.

I'm providing this rule change in two formats. Thanks.

<<File: 112-A..doc>>

112-A MULTIPLE COMPLETIONS

112-A.A. REPEALED. [7-3-58...2-1-96]

112-A.B. District Approval

(1) The Supervisor of the appropriate Division district may authorize the multiple completion (~~qualifying~~ conventional, tubingless, or combination) of any oil and gas well provided waste will not occur ~~whenever the zones to be completed are to be produced through tubing or through casing where such casing has an outside diameter of 2.875 inches or less. The supervisor may authorize one gas zone to be produced through a casing tubing annulus if such zone produces no more than one barrel of liquids per day.~~ [2-1-82...2-1-96]

(2) To obtain approval for multiple completion the operator shall file four copies of Division Form C-107 (Application for Multiple Completion) with the appropriate district office. Form C-107 shall be accompanied

by a diagrammatic sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location of packers, side door chokes, and such other information as may be pertinent. [2-1-82...2-1-96]

(3) REPEALED. [2-1-82...2-1-96]

112-A.C. Administrative Approval (Division Director)

(1) ~~The Division Director may authorize the multiple completion (qualifying conventional, tubingless, or combination) not qualifying for District approval or referred to him by the district supervisor, at his discretion, or an operator may request to have any application reviewed administratively by the Division Director.~~ [2-1-82...2-1-96]

(2) REPEALED. [2-1-82...2-1-96]

(3) Application for administrative approval of a multiple completion shall be made in QUADRUPLICATE, with two copies of the application to be mailed to the Division's Santa Fe Office, and two copies to the District office for the area in which the well is located. Application shall be made on the Division Form C-107 (Application for Multiple Completion) and shall be accompanied by the following:

(a) Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location of packers, side door chokes, and such other information as may be pertinent.

(b) Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as hereinafter provided.) The log shall be filed within 20 days of completion of the well.

[2-1-82...2-1-96]

(4) Upon receipt of a complete application the Division Director may approve the matter administratively or he may set any such application for public hearing. [2-1-82...2-1-96]

112-A.D. REPEALED. [2-1-82...2-1-96]

112-A.E. REPEALED. [2-1-82...2-1-96]

112-A.F. Operation and Testing

(1) All multiple completions, whether approved after hearing or by district or administrative procedure, shall be subject to the following rules:

(a) Prior to actual multiple completion of a well, the operator shall make adequate pressure tests of the casing to determine that no casing leaks exist. Results of casing tests shall be reported to the Division on Form C-103. [2-1-82...2-1-96]

(b) The well shall be completed and thereafter produced in such a manner that there will be no commingling of hydrocarbons from the separate strata. [2-1-82...2-1-96]

(c) The operator shall commence a segregation test and/or packer leakage test not later than fifteen (15) days after actual multiple completion of the well. Segregation tests and/or packer leakage tests shall also be made any time the packer is disturbed and at such other intervals as the Division may prescribe. The Operator shall also make all other tests and determinations deemed necessary by the Division. The Division shall be notified of the time such tests are to be commenced and tests may be witnessed by the Division at its election. Representatives of offset operators may witness such tests at their election and shall advise the producer in writing if they desire to be notified when such tests are to be conducted. Results of such tests shall be filed with the Division within fifteen (15) days after the completion of tests; provided, however, that in the event a segregation test or packer leakage test indicates that there is communication between the separate strata, the operator, shall immediately notify the Division and commence remedial action on the well. [2-1-82...2-1-96]

(d) The well shall be so equipped that reservoir pressure may be determined for each of the separate strata and further be so equipped that meters may be installed and the gas, oil and gas, and oil produced from each of the separate strata may be accurately measured, and the gas-oil ratio or the gas-liquid ratio thereof determined. [2-1-82...2-1-96]

(e) Within 20 days after the completion of the well, the operator shall furnish the Division with a diagrammatic sketch of the mechanical installation which was actually used in completing the well together with a report of the gravity, gas-oil ratio or gas-liquid ratio, and surface or bottomhole pressure for each of the separate zones, and the log of the well if the same has not been previously submitted. [2-1-82...2-1-96]

(f) No multiple completion may continue to produce in a manner which is unnecessarily wasteful of reservoir energy. [2-1-82...2-1-96]

(g) The Division may require the proper plugging of any abandoned zone of a multiply completed well if such plugging appears necessary to prevent waste or protect correlative rights. [2-1-82...2-1-96]