

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

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

CASE NO. 118

ORDER NO. 740

IN THE MATTER OF THE APPLICATION OF
THE OHIO OIL COMPANY FOR A SPECIAL
ORDER PERMITTING PRODUCTION THROUGH
A SINGLE WELL BORE OF OIL AND GAS
FROM THE DRINKARD ZONE BETWEEN 6370
FEET AND 6410 FEET AND/OR GAS AND
DISTILLATE FROM THE BLINEBRY ZONE
BETWEEN 5410 FEET AND 5525 FEET IN
J. L. MUNCY NO. 2 LOCATED 1980 FEET
FROM THE SOUTH AND WEST LINES OF
SECTION 24, TOWNSHIP 22 SOUTH, RANGE
37 EAST, N.M.P.M., LEA COUNTY, N. M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m., February 17, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission."

NOW, on this 8th day of March, 1948, the Commission having before it for consideration the testimony and other evidence adduced at the hearing of said case, together with the application of petitioner and being fully advised in the premises:

FINDS:

1. That due public notice of hearing upon said application having been given as required by law fixing the 17th day of February, 1948, at Santa Fe, New Mexico, as the time and place for hearing, the Commission has jurisdiction of the case;
2. That considering the record in Cause No. 92, admitted in this case, the Commission is doubtful that mechanical devices are available to absolutely prevent comingling of gas and fluid hydrocarbons from two or more different strata through a single well bore;
3. That the evidence adduced at said hearing establishes that both the gas and fluid hydrocarbons in the Muncy No. 2 well are characterized as "sweet" and that the element of corrosion is therefore minimized;
4. That additional evidence as to the efficiency of mechanical packers and devices for dual production by single well bore in the Drinkard Pool could be had by granting the application of the petitioner.

IT IS THEREFORE ORDERED BY THE COMMISSION that effective February 17, 1948, the Ohio Oil Company, Petitioner, be and is hereby granted permission to dually complete and produce its J. L. Muncy No. 2 well in the Drinkard Pool, Lea County, New Mexico, in such manner that oil and gas is produced through the tubing from the Drinkard zone stratum between 6370 feet and 6410 feet, and that gas and/or fluid hydrocarbons is produced through the annulus or space between the tubing and casing of said well from the Blinebry zone stratum between 5410 feet and 5520 feet:

PROVIDED, HOWEVER, that said well shall be completed and produced in such manner that there is absolutely no comingling within the bore of the well of gas and fluid hydrocarbons produced from the Drinkard zone and Blinebry zone or from any two or more separate strata encountered in said well. In order to prevent any comingling of gas or fluid hydrocarbons within the said well bore, the dual completion thereof shall be made as follows: The well having heretofore been completed in the Drinkard zone through casing perforations at from 6370 feet to 6410 feet, the upper zone in like manner may be completed by perforation at the proper level and the zone or formation tested. Such test and subsequent tests shall be witnessed by an agent of the Commission and by representatives of any offset operator. In event intercommunication between the zones behind the casing is indicated by the formation tests, corrective measures shall be applied and such tests continued until it is indicated that there is no intercommunication between the respective zones behind the casing. Should the test or tests indicate that there is no intercommunication between the zones on the outside of the casing, the petitioner herein may proceed with the dual completion of said well as follows: A packer shall be so set as to effectively prevent the migration of reservoir gas and fluid hydrocarbons from one zone to another within the casing; the well shall be tubed through the packer, provided, however, it shall not be necessary for petitioner to install a circulating port or choke above the packer since the instant dual completion involves only a gas productive zone in the upper horizon. However, nothing herein shall be construed to preclude the installation of such port above the packer, but in case of non-installation above the packer the circulating device shall be incorporated in the packer.

PROVIDED, FURTHER, that any packer installed in said well shall be properly tested for leakage at the time of the recompletion and shall be carefully retested at six-month intervals thereafter. The original and all subsequent tests shall be witnessed by a representative of the Commission and by representatives of offset operators, if any there be, and the results of each test properly attested to by the petitioner and all the witnesses shall be filed with the Commission within ten days after completion of such test.

IT IS FURTHER PROVIDED that in the event intercommunication between the zones is found within or without the casing, or is suspected by any witness as a result of any test, the well shall be immediately closed in, the Commission notified, and prompt and immediate action shall be taken by the petitioner herein to prevent such intercommunication, following which a retest for leakage shall be made forthwith and witnessed as aforesaid.

IT IS FURTHER PROVIDED that intercommunication tests between zones required by this Order shall be made as follows: Both zones shall be simultaneously closed in and kept closed a sufficient length of time to reach stabilization as determined by a dead weight tester. A recording depth pressure gauge shall then be run at the maximum depth possible; the zone open to the annulus shall be produced at a maximum safe rate until stabilized flow conditions are obtained. In event a significant decrease in pressure is shown by the recording pressure gauge on the tubing, intercommunication shall be deemed to exist.

PROVIDED, FURTHER, that said well must be equipped in such manner that reservoir pressures may be determined on each of the two specified strata separately, and further that said well must be equipped with all necessary connections required to permit recording meters to be installed and used at any time, so that when such meters are installed all natural gas produced from each separate stratum may be accurately measured and the gas-oil ratio determined.

The applicant having at the Hearing furnished the Commission with an electrical log showing the position and thickness of the sands encountered, together with the designation of each sand and the description of the two sands to be dually produced, no further requirement therefor is made.

PROVIDED, HOWEVER, that upon the final completion of said dual completion of said well the petitioner herein shall furnish the Commission with an accurate diagrammatic sketch or drawing clearly showing the method of well completion and the step by step procedure followed in producing each zone completion and the equipment and devices used and employed to effect separation of the productive horizons.

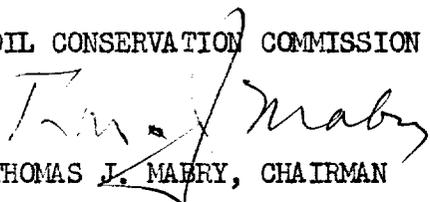
IT IS FURTHER ORDERED that upon failure of the petitioner herein to comply with any provision or provisions of this Order then the authorization hereunder shall immediately terminate.

IT IS FURTHER ORDERED that this cause be, and it is hereby held open on the Docket for such order and further orders as may be necessary or convenient.

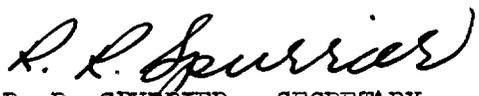
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION


THOMAS J. MABRY, CHAIRMAN

JOHN E. MILES, MEMBER


R. R. SPURRIER, SECRETARY

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico, by its Oil Conservation Commission, hereby gives notice, pursuant to law, of the following public hearings to be held February 17, 1948, beginning at 10:00 o'clock a.m. on that day in the City of Santa Fe, New Mexico:

STATE OF NEW MEXICO TO:

All named parties in the following cases,
and notice to the public:

Case No. 118

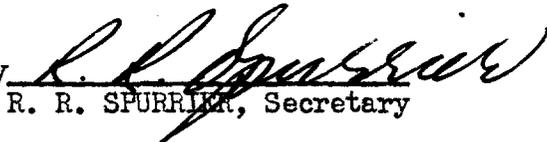
In the matter of the application of the Ohio Oil Company for the issuance of a special order permitting production through a single well bore of oil and gas from the Drinkard zone between 6,370 feet and 6,410 feet, and gas and/or gas and distillate from the Blinebry zone between 5,410 feet and 5,520 feet in Ohio Oil Company, J. L. Muncy No. 2, located 1980 feet from the south and west lines of section 24, township 22 S, range 37 E, N.M.P.M., Lea County, New Mexico

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on January 26, 1947.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

By


R. R. SPURR, Secretary

C
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Y

P. O. Box 371
January 26, 1948

The Hobbs Daily News-Sun
Hobbs, New Mexico.

RE: Cases 117 and 118 - Notice of Publication

Gentlemen:

With reference to Case 117, will you please prepare galley-proof and return to our office in Santa Fe for our approval before publication?

In publishing Case 118, 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 in duplicate.

Please return your statement in duplicate, accompanied by signed original voucher. Necessary blanks are enclosed.

Very truly yours,

GEORGE A. GRAHAM,
Attorney

bpw

cc: Roy Yarbrough