

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 335 and 336 (Consolidated)
ORDER NO. R-131

THE APPLICATION OF SHELL OIL
COMPANY FOR AUTHORITY TO DUALY
COMPLETE AND PRODUCE ITS SARKEYS
NO. 2 WELL, NE SW 23-21S-37E, NMPM;
AND ITS SHELL TURNER NO. 5 WELL,
NE SE 22-21S-37E, NMPM, AS BLINEBRY
(GAS) - DRINKARD (OIL) WELLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

These causes, as consolidated, came on for hearing at 10 o'clock a. m. on January 22, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 6th day of March 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS,

- (1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.
- (2) That applicant's Sarkeys No. 2 well, NE SW 23-21S-37E, NMPM, was completed in July 1948 as an oil well in the Drinkard pay, bottomed at 6610', and produced from the 6460' - 6610' interval, having drilled through the Blinebry gas zone (5555' - 5670').
- (3) That applicant's Shell Turner No. 5, in NE SE 22-21S-37E, NMPM, was completed in September 1949 as an oil well in the Drinkard pay, bottomed at 6612', and produced from the 6450' - 6612' interval, having drilled through the Blinebry gas zone (5510'-5635').
- (4) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness, as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED, That, effective as of January 22, 1952, the applicant herein, Shell Oil Company, be, and it hereby is authorized to dually complete and produce (1) its Sarkeys No. 2 Well, NE SW 23-21S-37E, NMPM, in the Drinkard pool, Lea County, New Mexico, in such a manner that gas from the Blinebry formation may be produced through the annular space between the casing and tubing, and oil from the Drinkard formation through the tubing; (2) in like manner, its Shell-Turner No. 5 well in NE SE 22-21S-37E, NMPM, in the Drinkard pool, Lea County, New Mexico, that gas from the Blinebry formation may be produced through the annular space between the casing and tubing, and oil from the Drinkard formation through the tubing;

in each case, by proper perforations and packer installations,

PROVIDED, HOWEVER, That each of the subject wells herein shall be completed and thereafter produced in such a manner and way that there will be no commingling within the well-bore between the respective formations either within or outside the casing, of gas, oil, or oil and gas produced from either or both of the separate producing horizons, and,

PROVIDED FURTHER, That each of the subject wells for dual completion and production shall be equipped in such a way that reservoir pressures thereunder may be determined separately for each of the two specified zones of production, and, further, each subject well shall be equipped with all necessary connections which may be required to permit recording meters to be installed and used, at any time, as may be required by the Commission, or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum for each subject well may be accurately measured or tested and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the applicant/operator shall make any and all tests, including segregation tests but not excluding other tests, at any convenient time, and in such manner as deemed necessary by the Commission; 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, at their election, and the results of each such test for each subject well, properly attested to by the applicant/operator, and all witnesses, shall be filed within 10 days after completion thereof with the Commission in Santa Fe, New Mexico; and

PROVIDED FURTHER, That prior to the time each such subject well is dually completed, the applicant/operator shall furnish the Commission, for its approval, a drawing showing the proposed method and manner of completion, together with an electrical log showing the location and extent, for each subject well, of each separate stratum yielding production, and the vertical footage location of the proposed perforations, and,

PROVIDED FURTHER, That upon the actual dual completion of each such subject well (Sarkeys No. 2, NESW 23-21S-37E, and Shell-Turner No. 5, NESE 22-21S-37E) a plat or diagrammatic sketch of the mechanical installations which were actually used to complete and produce the seal between the strata for each subject well, and a special report of production, gas-oil ratio, and reservoir pressure determination of each producing zone for each subject well, be furnished immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of Causes No. 335 and 336, as consolidated, is hereby retained by the Commission for such other and further orders as may seem necessary or convenient to it, for the prevention of waste and/or protection of correlative rights; upon failure of applicant or its successors to comply with any requirement of this order, after proper notice and hearing, the Commission may terminate the authority hereby granted for either or both subject wells, and require applicant or its successors and assignees to limit its activities to regular

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single-zone production in the interest of prevention of waste and/or protection of correlative rights.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, CHAIRMAN



GUY SHEPARD, MEMBER



R. R. SPURRIER, SECRETARY

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