

**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. 1384
Order No. R-1136**

**APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR A DUAL COMPLETION
IN THE BAGLEY-PENNSYLVANIAN OIL
POOL AND THE BAGLEY-LOWER PENNSYL-
VANIAN GAS POOL IN LEA COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 26, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of March, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Petroleum Corporation, is the owner and operator of the State BTO No. 1 Well located 990 feet from the South line and 2310 feet from the East line of Section 34, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That oil was encountered in the said State BTO No. 1 Well at the intervals from 8774 to 8798 feet and from 8808 to 8834 feet and that gas was encountered in said well at the interval from 9766 to 9820 feet.

(4) That the gas producing interval referred to above is within the vertical and horizontal limits of the Bagley-Lower Pennsylvanian Gas Pool but that the oil producing intervals referred to above are in an undesignated vertical zone between the Bagley-Pennsylvanian oil Pool and Bagley-Upper Pennsylvanian Gas Pool.

(5) That the applicant proposes that the vertical limits of the Bagley-Pennsylvanian Oil Pool be extended to include the oil producing intervals referred to above.

Case No. 1384
Order No. R-1136

(6) That the applicant further requests permission to dually complete the said State BTO No. 1 Well in the Bagley-Pennsylvanian Oil Pool (as extended) and the Bagley-Lower Pennsylvanian Gas Pool in such a manner as to permit production from both of said pools through parallel strings of tubing.

(7) That the Bagley-Pennsylvanian Oil Pool should not be extended to include the aforementioned oil producing intervals at the present time since there is not yet sufficient evidence to determine the proper designation of said producing intervals.

(8) That the applicant has already installed the proposed dual completion equipment in the said State BTO No. 1 Well and that it should therefore be permitted to produce said well as a dual completion until such time as the proper designation for the oil producing intervals can be determined.

(9) That a case should be called for the Commission's regular monthly hearing in July, 1958, to permit the applicant to appear and present additional evidence as to the proper designation of the oil producing intervals referred to above.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to dually complete its BTO No. 1 Well, located 990 feet from the South line and 2310 feet from the East line of Section 34, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of gas from the Bagley-Lower Pennsylvanian Gas Pool and oil from the intervals from 8774 to 8798 feet and from 8808 to 8834 feet in an undesignated Pennsylvanian oil pool through parallel strings of tubing.

PROVIDED HOWEVER, That the authority to produce the said State BTO No. 1 Well under the terms of this order shall expire on September 1, 1958.

PROVIDED FURTHER, That the applicant shall appear at the Commission's regular hearing in July, 1958, and present additional evidence as to the proper designation of the oil producing intervals referred to above and show cause why the authority granted herein should be continued beyond September 1, 1958.

PROVIDED FURTHER, That subject well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata.

PROVIDED FURTHER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks exist. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

-3-

Case No. 1384
Order No. R-1136

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the appropriate District Office of the Commission copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110, and Form C-122, outlining the information required on those forms by existing Rules and Regulations, and two copies of the electric log of the well.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections 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 may be accurately measured and the gas-oil or gas-liquid ratio thereof determined, and

PROVIDED FURTHER, That the operator shall make any and all tests, including segregation and packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Bagley-Pennsylvanian Oil Pool, commencing in the year 1958, and whenever the packer is disturbed, but not excluding any other tests and/or determinations as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of offset operators if any there be at their election, and the results of each test, properly attested to by the applicant herein and all witnesses, shall be filed with the Commission within fifteen (15) days after the completion of such tests, and further, that applicant shall file with the Commission in duplicate a packer-setting affidavit, which affidavit shall be due within fifteen (15) days of the dual completion or whenever the packer is disturbed, and

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas-oil ratio or gas-liquid ratio, and reservoir pressure determination for each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Edwin L. Mechem, Chairman


Murray E. Morgan, Member


A. L. Porter, Jr., Member & Secretary

