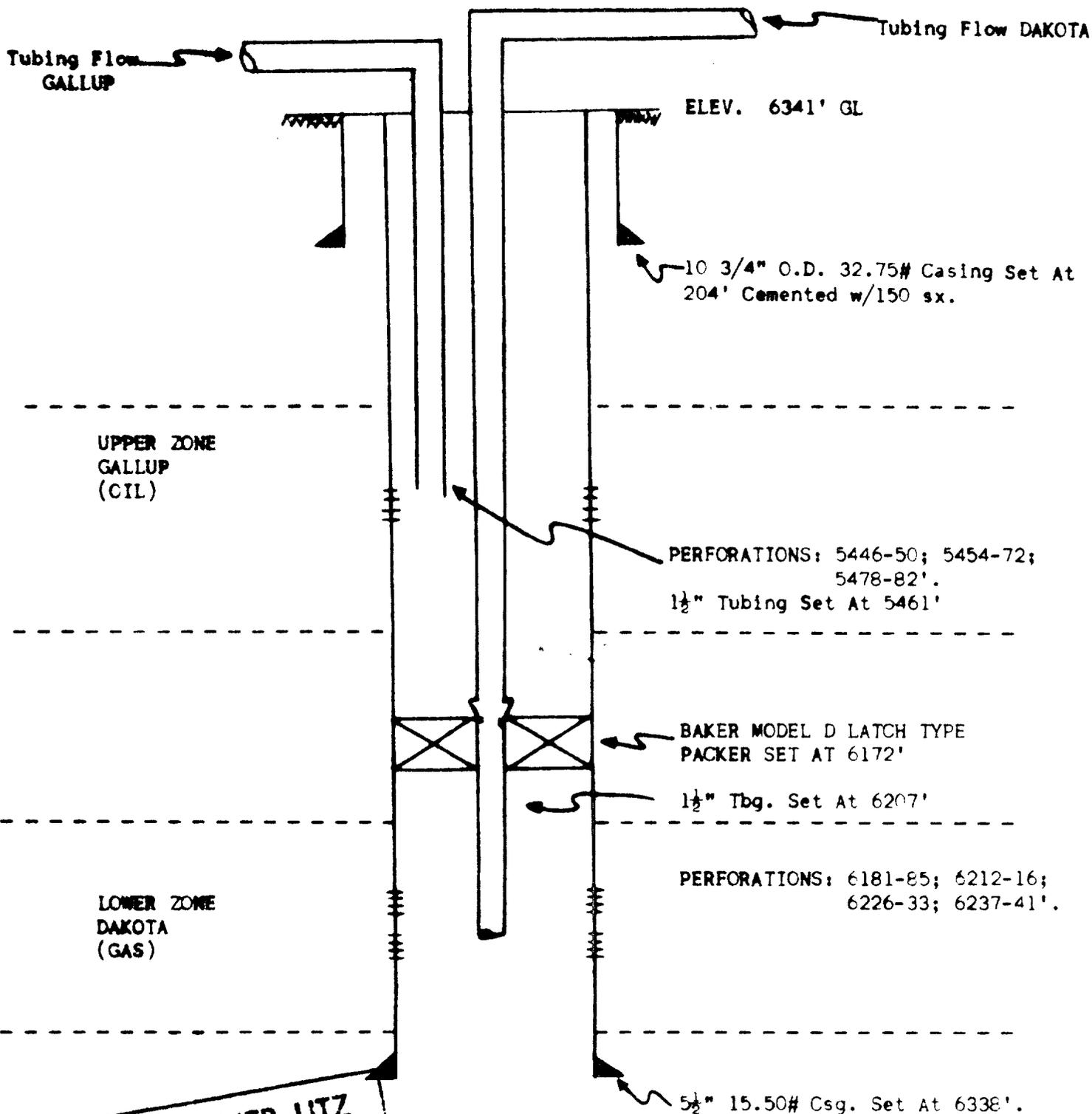


DIAGRAMMATIC SKETCH OF DUAL COMPLETION
INSTALLATION



TD: 6338'
PB: 6326'

Southwest Production Company
Davis Federal #1
1850 FSL 790 FWL NW/4 SW/4 Section 24-T26N-R11W

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 2000 OPERATOR
LEASE
LOCATION:

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 No. 2664
Order No. R-2354

APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR A DUAL COMPLETION, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 31st day of October, 1962, 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, Southwest Production Company, seeks authority to dually complete its Davis Federal Well No. 1, located in Unit L of Section 24, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, to produce oil from the Gallegos-Gallup Oil Pool and gas from the Basin-Dakota Gas Pool through parallel strings of 1 1/2-inch tubing separated by a packer set at approximately 6172 feet.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southwest Production Company, is hereby authorized to complete its Davis Federal Well No. 1,

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CASE No. 2664
Order No. R-2354

located in Unit L of Section 24, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, as a dual completion to produce oil from the Gallegos-Gallup Oil Pool and gas from the Basin-Dakota Gas Pool through parallel strings of 1 1/2-inch tubing separated by a packer set at approximately 6172 feet.

PROVIDED HOWEVER, That the applicant shall complete, operate and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall conduct packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Dakota formation, and at such other times as the Secretary-Director of the Commission may prescribe.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

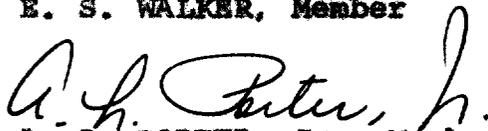
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



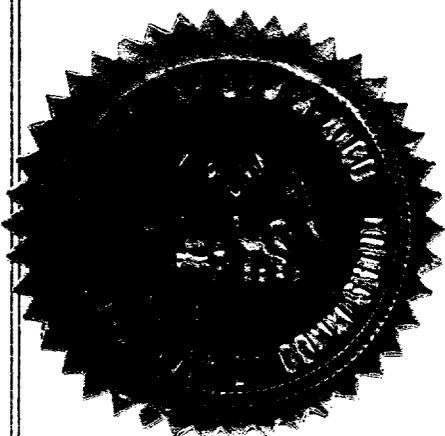
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/