

BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
May 15, 1963

IN THE MATTER OF:)

The hearing called by the Oil Conserva-)
tion Commission on its own motion to) Case 2808
consider a revision of Rule 112 of the)
Commission Rules and Regulations to per-)
mit the administrative approval by the)
Secretary-Director of the Commission of)
triple completions (conventional).)

BEFORE: Honorable Jack M. Campbell
Mr. A. L. "Pete" Porter
Mr. E. S. "Johnny" Walker

TRANSCRIPT OF HEARING

MR. PORTER: We will take up Case 2808.

MR. DURRETT: In the matter of the hearing called by
the Oil Conservation Commission on its own motion to consider a
revision of Rule 112 of the Commission Rules and Regulations to
permi the administrative approval by the Secretary-Director of
the Commission of triple completions (conventional).

If the Commission please, J. H. Durrett, Junior, appearing
again for the Commission and its staff. Mr. Nutter will be the
witness in this case. He has been sworn in the previous case.

MR. PORTER: The record will show that he's sworn.

DANIEL S. NUTTER

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called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. DURRETT:

Q Mr. Huxter, once again, will you please give us a brief background of the proposed, first, give us a brief background of the rule as it exists, and then give us a slight summary of the proposed rule and some of its background?

A Yes, sir. The Commission, several years ago, amended Rule 112 to permit the administrative approval under certain circumstances of dual completion, conventional, and multiple completions, tubingless. It hasn't been apparent without a close reading of the rule, but the triple completion of a conventional type of completion was not permitted administratively, although a triple, quadruple or even quintuple completion of a tubingless completion was eligible for administrative approval.

At the time the rule was adopted we felt that there was such a variety of possible installations that could be submitted for the conventional type of triple completion that we meant these should go into a hearing to explore the method of completion.

The triple completions, conventional, have, however, stabilized into a rather well-known and practical method of completion, and we feel that these should be eligible for

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administrative approval at this time. We have, therefore, gone through Rule 112 (a) and made the necessary changes to permit the administrative approval of the triple completion, conventional.

Q And is this the only substantiative change that you have made in this rule, Mr. Hutter?

A For all practical purposes that is a true statement. However, we have, I would like to go into this in a little more detail. Rule 112 (a) as it now exists, Roman numeral I, relates to multiple completions will be permitted only after notice and hearing except as provided by this rule.

Roman numeral II, then, defines dual completions, and it prescribes the conditions under which they would be permitted. One of the paragraphs there will be sub paragraph (a) of Roman numeral II, provides that the well to be eligible for administrative approval must be dually completed within the limits of two defined pools or within one mile thereof, except in the case of San Juan, Rio Arriba, Sandoval and McKinley Counties, where it's a gas-gas dual, and two gas producing zones that have been recognized by the Commission, it does not have to be within one mile of that pool.

We propose that Section (a) of III would read as follows: That the well would be eligible for administrative approval if,



(a) "The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided, however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations" as proposed.

This was an interpretive thing in the past in which if the well was completed, was being completed within the same, within the defined pools, that was all right, but if it was within one mile of the pools we had to decide whether or not it was actually within those pools or not. Now, we think that defining it as being the same common sources of supply, it will remove that limitation of being within the defined pools or within one mile of the defined pool, and I think it will eliminate some of the hearings that have been necessary in the past.

Also, in the San Juan Basin, if a well is completed in any formations which have previously been authorized for multiple completion, it would be eligible for administrative approval. There are no pressure problems in the San Juan Basin which would render any of these zones incompatible with another for multiple completion.

In effect, what this should be would eliminate all hearings

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for multiple completions in the San Juan Basin henceforth.

Q In that connection, is it your opinion, Mr. Nutter, that although we are eliminating the necessity for some hearings, that there will be no danger in doing so, that correlative rights might be impaired or waste caused?

A I think it's safe to say that, yes.

Q You think that this rule would substantially cover that problem?

A Yes, sir, and I think it will be in the interest of saving the money, both to the operators and to the Commission.

Q Do you feel in connection with this rule that it will allow the Commission to more efficiently and effectively enforce the laws of the State of New Mexico as they pertain to conservation of oil and gas?

A Yes, I do.

Q Was Exhibit A prepared by you or under your direct supervision?

A Yes, sir.

MR. DURRETT: If the Commission please, I move the introduction of Exhibit A at this time, and this concludes my examination of Mr. Nutter.

MR. PORTER: Without objection, the exhibit will be admitted.



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(Whereupon, Commission's Exhibit A was introduced and admitted in evidence.)

MR. PORTER: Does anyone have a question of Mr. Nutter concerning this case? The witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone have a statement they would like to make in connection with the case? Mr. Kastler.

MR. KASTLER: Bill Kastler, appearing on behalf of Gulf Oil. Gulf concurs in this proposed rule change.

MR. PORTER: Anyone else? The Commission will take the case under advisement.



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2808
Order No. R-2489

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER A REVISION OF RULE 112
OF THE COMMISSION RULES AND
REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of May, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for the revision of Rule 112-A of the Commission Rules and Regulations to permit administrative approval by the Secretary-Director of the Commission of the dual completion (conventional) or triple completion (conventional) of a well if a similar multiple completion in the same common sources of supply as proposed has been authorized after notice and hearing, or in the case of Rio Arriba, San Juan, Sandoval, and McKinley Counties, if a similar multiple completion of a well in the same formations as proposed has been authorized after notice and hearing.

(3) That approval of the proposed rule change will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas, and will be in the interest of economy, both to the operators and the Commission, by eliminating hearings for such multiple completions.

IT IS THEREFORE ORDERED:

(1) That Rule 112-A of the Commission Rules and Regulations,

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Sections II and III, be and the same are hereby amended to read in their entirety as follows:

II. MULTIPLE COMPLETIONS (CONVENTIONAL)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A I and approve the dual or triple completion of a well to produce from more than one common source of supply without notice and hearing when application for such approval has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations as proposed, after notice and hearing; and

(b) The applicant proposes to utilize one of the mechanical installations described below:

1. The well is to be completed as a gas-gas dual or as a gas-gas-gas triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing or a combination of tubing string(s) and the tubing-casing annulus.

2. The well is to be completed as an oil-oil dual or as an oil-oil-oil triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing.

3. The well is to be completed as a combination oil and gas multiple completion and the hydrocarbons from each oil zone can be safely and efficiently produced through parallel strings of tubing and the hydrocarbons from each gas zone can be safely and efficiently produced through parallel string(s) of tubing or through a combination of tubing and the tubing-casing annulus; and

(c) All strings of tubing used for the production of oil in the proposed multiple completion will have a nominal inside diameter of not less than 1.670 inches nor greater than 2.50 inches; and

(d) The packer(s) used to segregate the separate zones of the multiple completion will be production-type packer(s) and shall effectively prevent communication between all producing

III. MULTIPLE COMPLETIONS (TUBINGLESS AND COMBINATION)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A I and approve the multiple completion of a well without notice and hearing where application has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations after notice and hearing; and

(b) The applicant proposes to employ one of the following methods of completion:

1. Multiple Completion (Tubingless) utilizing two or more small diameter casing strings (2.875 inches OD or less), one to each common source of supply, all cemented in a common well-bore.
2. Multiple Completion (Combination) utilizing a combination of small diameter (2.875 inches OD or less) and conventional diameter (greater than 2.875 inches) casing strings, all cemented in a common well-bore. Provided however, that if any conventional diameter casing in said multiple completion is used for the production of more than one common source of supply, the rules pertaining to Multiple Completions (Conventional) in Rule 112-A II above shall also apply; and

(c) Sufficient cement will be used in said multiple completion to extend throughout each pay and a minimum of 100 feet above; and

(d) Centralizers and/or turbolizers will be installed on each joint of casing throughout each pay and on a minimum of three joints above; and

(e) Directional perforating equipment will be used in perforating all intervals in any casing string in said multiple completion which intervals are in a zone through which one or more other casing strings pass.

(f) The requirements of paragraphs (c) and (d) may be modified for multiple completions within given common sources of supply and within a given area if, in the opinion of the Secretary-Director, circumstances warrant such modification.

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(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

Jack M Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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



esr/