

**CASE 5205: Application of CITIES
SERVICE FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.**

CASE No.

5205

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Cities)
Service Oil Company for)
a dual completion, Eddy)
County, New Mexico.)

Case No. 5205

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

W. Thomas Kellahin, Esq.
Jason W. Kellahin, Esq.
KELLAHIN & FOX
54-1/2 East San Francisco
Santa Fe, New Mexico

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I N D E X

Page

E. F. MOTTER

Direct Examination by Mr. Tom Kellahin

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E X H I B I T S

Applicant's Exhibits Number One through Five

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MR. STAMETS: Call the next case, 5205.

MR. DERRYBERRY: Case 5205, Application of Cities Service Oil Company for a dual completion, Eddy County, New Mexico.

MR. KELLAHIN: Mr. Examiner, the same appearances on behalf of Cities Service Oil Company and I tender the same expert witnesses.

MR. STAMETS: Let the record show that the witness, Mr. Motter, has been previously sworn and the swearing will stand in Case 5205 as well. Are there any other appearances in this case? Mr. Kellahin, you may proceed.

E. F. MOTTER

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. TOM KELLAHIN:

Q Mr. Motter, will you please refer to what has been marked as Applicant's Exhibit Number One?

A Yes, this is a plat outlining the proration unit and dedicated to the Cities Service Paslay "A" No. 1. Which is composed of the west half of Section 8, Township 22 South, Range 27 East. The well is located ninety-eighty from the west line and twenty-two thirty from the south line. Our

MOTTER-DIRECT

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application is to dual this well in the Strawn and Morrow. I might again comment that the well is currently producing from the Morrow perforation.

I further would like to comment and I have talked with the Examiner about this situation on the phone, that the Belco-Mead No. 1 which is in the east half of Section 8 is dualled in exactly the same manner that we have proposed.

With that understanding you would normally expect administrative approval of this. However, if you will note immediately to the west of our proration unit this comes into the city of Carlsbad. And if you will forgive our little check marks there this is representative of town lots.

We estimated that there were about fifty immediately offsetting our proration unit to the west and to obtain administrative approval we would have to notify all on-site operators. We discussed this with some of our landmen and they thought that it would take about sixty days to abstract this to find out who all the owners are. We have noted some on this tract -- we have noted some of the owners, Belco, Grace, Bennett, and Cities Service, ourselves, own some lots in there. For that particular reason is why we are here, rather than asking for administrative approval. We thought this might be the fastest route.

MOTTER-DIRECT

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Q Please refer to Exhibit Two and identify it.

A All right, Exhibit Two again is a spacing program on this particular well. I would like to point out one thing here that we ran into some rather high or a little bit more than normal pressure in the Strawn which will be our dual in this case. In order to drill into the Morrow with a lighter weight fluid we set seven and five-eighths casing at eighty-eight fifty and drilled on down to a TD of eleven six forty-two and hung a five and a half inch liner with a top at eighty-six eighteen.

In a few minutes I will go into this and this particular procedure did cost a little bit more money than normally we had anticipated.

Q Please refer to Exhibit Number Three and identify it.

A Okay. Number Three is a hookup we have in the well at the present time. As I said, it is producing from the Morrow. The cross-over assembly is similar to the one in the previous case and is located at ten thousand one-seventy.

I would like to point out that down below there the Morrow is perforated in -- we actually have two zones there of the Morrow producing at the present time. They are separated by packers. We did this so that we could treat the

MOTTER-DIRECT

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zones independently. But the upper zone is perforated from eleven one twenty-three to two twenty-one. The lower zone is perforated from eleven three forty-six to five fifty-seven. Our tests on the two zones on open flow was eleven million one hundred and ninety-two mcf per day with two and a half barrel condensate crossed over and is flowing up the annulus.

The Strawn as shown there we upon approval of this case will run a four point test on this into the pipeline. We do have a test, just a real brief test that flowed five point one million. However, on a drill stem test in the interval for a one hundred and twenty minute flow period, we recovered no fluid to the surface but we did recover a hundred and ninety-six feet of fifty-one degree distillate in the drill pipe so we have reason to believe that this will probably produce a considerable amount of distillate and that again is the reason why we will put the Strawn zone up the tubing.

Q Please refer to Exhibit Number Four and identify it.

A This again is the same type of hookup that we used on the Government T. The Baker crossover assembly and it has been used out in the field considerably, and no problems. It has been installed and tested and everything is working properly. Of course, on the approval of this well

MOTTER-DIRECT

Page.....7.....

we will run all the necessary packer and leakage tests.

Q Please refer to Exhibit Five and identify it.

A Exhibit Five is a compensated neutron formation density log which has all of the appropriate formation tops along with the perforations marked.

Q In your opinion, Mr. Motter, will approval of this application be in the best interests of conservation and protect the correlative rights of others and prevent waste?

A Yes, I certainly do and I would like to again stress the point in the same section there is another well dualled in the same two zones.

Q Does the method of completion conform to good engineering practices to ensure that there will be no communication between the two producing intervals?

A It does.

Q Were Exhibits One through Five either prepared by you or under your direction or compiled by you?

A They were.

MR. KELLAHIN: We move the introduction of Exhibits One through Five.

MR. STAMETS: Exhibits One through Five will be admitted.

MR. KELLAHIN: That completes our direct examination.

MOTTER-DIRECT


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MR. STAMETS: Any questions of this witness? If not, you may be excused. Anything further in this case? We will take the case under advisement.

(THEREUPON, the witness was excused.)

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

I, SIDNEY F. MORRISH, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


SIDNEY F. MORRISH, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5205 heard by me on 4-10, 1974.
Richard L. Blum, Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

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. 5205
Order No. R-4767

APPLICATION OF CITIES SERVICE
OIL COMPANY FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 10, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stametz.

NOW, on this 16th day of April, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Cities Service Oil Company, seeks authority to complete its Paslay "A" Com Well No. 1, located in Unit K of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Strawn gas pool through the casing-tubing annulus and thence, by means of a cross-over assembly, through tubing to the surface, and gas from an undesignated Morrow gas pool through tubing and thence, by means of a cross-over assembly, through the casing-tubing annulus to the surface, with separation of the zones achieved by means of a packer set at approximately 11,070 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 prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to complete its Paslay "A" Com Well No. 1, located in Unit K of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Strawn gas pool through the

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CASE NO. 5205
Order No. R-4767

casing-tubing annulus and thence, by means of a cross-over assembly, through tubing to the surface, and gas from an undesignated Morrow gas pool through tubing and thence, by means of a cross-over assembly, through the casing-tubing annulus to the surface, with separation of the zones achieved by means of a packer set at approximately 11,070 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 take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeast New Mexico.

(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

I. R. TRUJILLO, Chairman


A. J. Arrijo
ALEX J. ARRIJO, Member

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

S E A L

jr/

5205

Cities Deal OK

DOCKET: EXAMINER HEARING -- WEDNESDAY -- APRIL 10, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for May, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for May, 1974.

CASE 5201: Application of Mobil Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 33, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to form a standard 320-acre proration unit to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5202: Application of El Paso Natural Gas Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sand Dunes-Morrow Gas Pool in Township 23 South, Range 31 East, Eddy County, New Mexico, including a provision for 640-acre spacing.

CASE 5203: Application of Jake L. Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 13,230 feet to 13,320 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 4790: (Reopened)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5204: Application of Cities Service Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Government T Well No. 1 located in Unit C of Section 14, Township 20 South, Range 28 East, Russell Field, Eddy County, New Mexico, in such a manner as to produce gas from the Wolfcamp and Morrow formations through the casing-tubing annulus and tubing, respectively.

CASE 5205: Application of Cities Service Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Paslay "A" Com Well No. 1 located in Unit K of Section 8, Township 22 South, Range 27 East, Eddy County, New Mexico, to produce gas from undesignated Strawn and Morrow gas pools through the casing-tubing annulus and tubing, respectively.

CASE 5211: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 8, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to its Paslay Well No. 1, located in Unit K of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5212: Application of Cities Service Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Citgo Empire-Abo Unit Area comprising 361 acres, more or less, of Federal and State lands in Townships 17 and 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.

CASE 5213: Application of Cities Service Oil Company for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Citgo Empire-Abo Unit, Empire-Abo Pool, Eddy County, New Mexico, by the injection of gas into the Abo formation through a well to be drilled at an unorthodox location 990 feet from the South line and 2635 feet from the East line of Section 35, Township 17 South, Range 27 East. Applicant further seeks the establishment of special rules for said pressure maintenance project including a provision for the operation of the project under a net GOR rule and the establishment of a gas injection credit "bank" against which injection credit could be drawn in order to maintain full allowables during such times as injection plant shut-downs, etc.

- CASE 5206: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle West Warren-Blinbry and East Skaggs-Drinkard production in the wellbore of its SEMU Burger Well No. 21 located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico.
- CASE 5207: Application of Craig Folsom for a non-standard proration unit and compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying a non-standard oil proration unit comprising the SW/4 NE/4 SE/4, NW/4 SE/4 SE/4, NE/4 SW/4 SE/4, and the SE/4 NW/4 SE/4 of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1340 feet from the South line and 1300 feet from the East line of said Section 12, said location having been previously been approved by Order No. R-4750. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5208: Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 5209: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Estacado Unit Area comprising 1280 acres, more or less, of State and fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.
- CASE 5210: In the matter of the application of the Oil Conservation Commission on its own motion for the contraction of the House-Tubb Gas Pool by the deletion of all of Section 12, Township 20 South, Range 38 East, Lea County, New Mexico, and the creation of the East House-Tubb Oil Pool comprising all of the NW/4 of said Section 12.
- CASE 5214: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Robb Spring Unit Area comprising 6402 acres, more or less, of State, Federal, and fee lands in Townships 23 and 24 South, Range 25 East, Eddy County, New Mexico.
- CASE 5215: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order

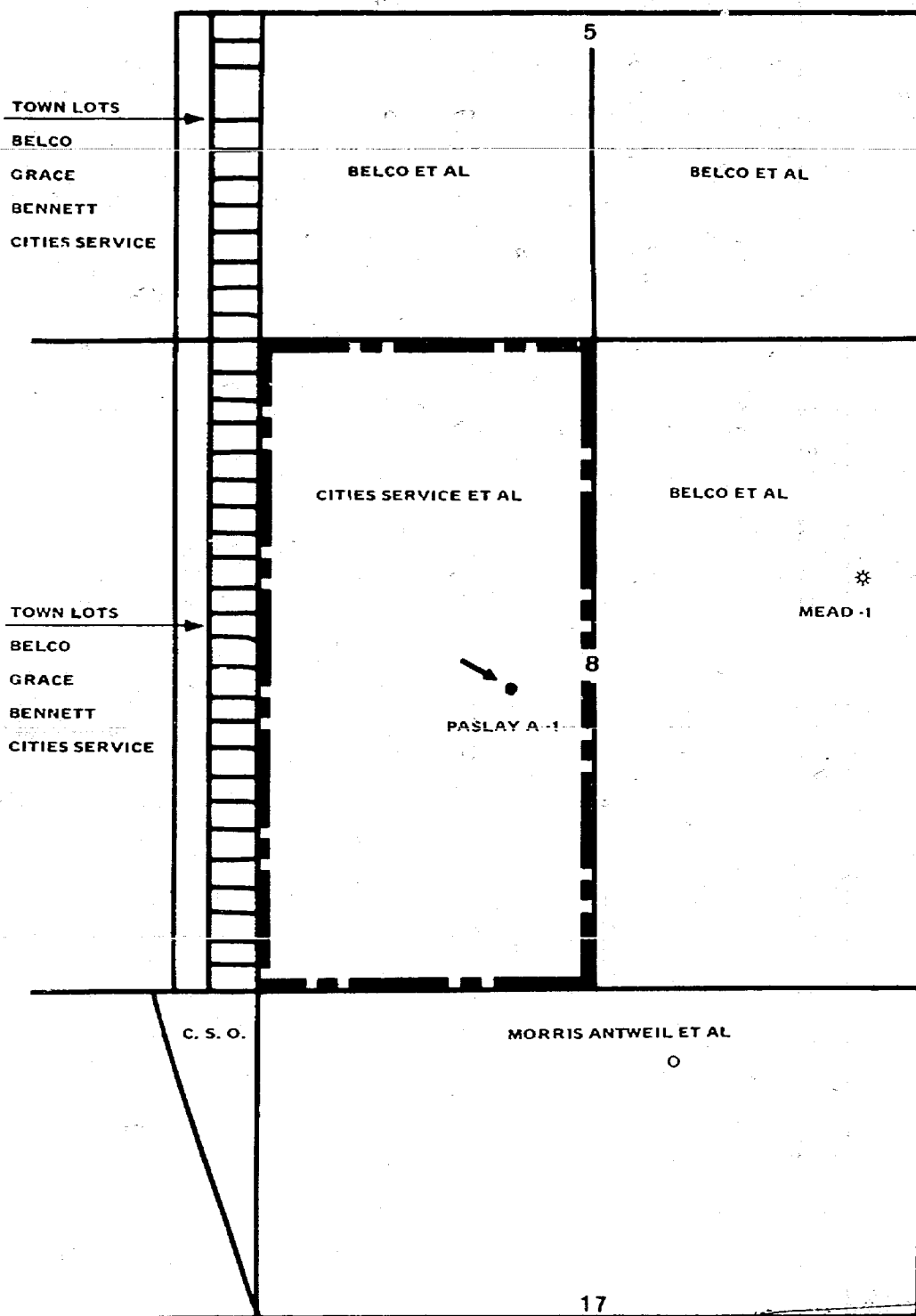
Examiner Hearing - Wednesday - April 10, 1974

Docket No. 9-74

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(Case 5215 continued from Page 3)

pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 17, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.



CITIES SERVICE OIL COMPANY, BEFORE EXAMINER STAMETS
SOUTHWESTERN REGION
MIDLAND TEXAS
OIL CONSERVATION COMMISSION

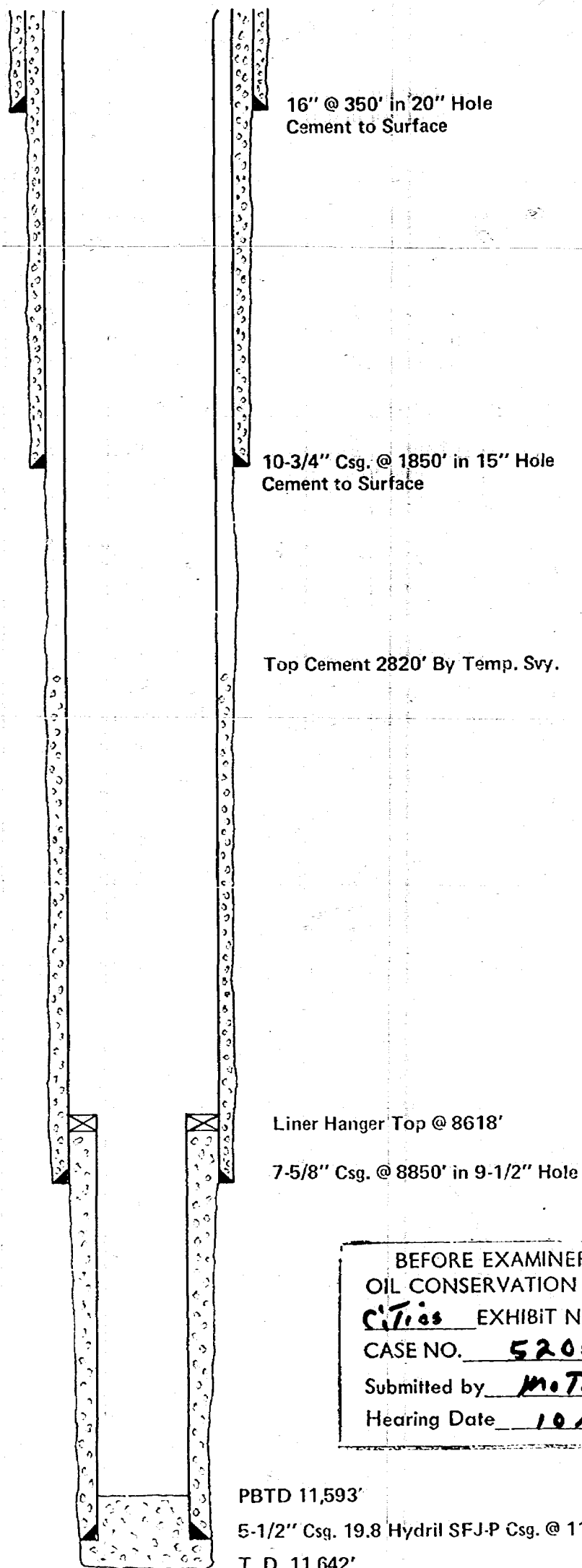
CSO - Paslay "A" - 1
West 1/2 Section 8
T22S -- R27E

EDDY CO., NEW MEXICO
Scale : 4" = 1 Mile

Cities EXHIBIT NO. 1
CASE NO. 5205
Submitted by MATT R
Hearing Date 10 Apr 74

PASLAY A NO. 1
1980' FSL 2230' FWL
SEC. 8 - T22S - R27E
EDDY CO., NEW MEX.

CASING SCHEMATIC



16" @ 350' in 20" Hole
Cement to Surface

10-3/4" Csg. @ 1850' in 15" Hole
Cement to Surface

Top Cement 2820' By Temp. Svy.

Liner Hanger Top @ 8618'

7-5/8" Csg. @ 8850' in 9-1/2" Hole

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Cities EXHIBIT NO. 2

CASE NO. 5205

Submitted by M. T. R

Hearing Date 10 Apr 74

PBTD 11,593'

5-1/2" Csg. 19.8 Hydril SFJ-P Csg. @ 11,634' in 6-1/2" Hole

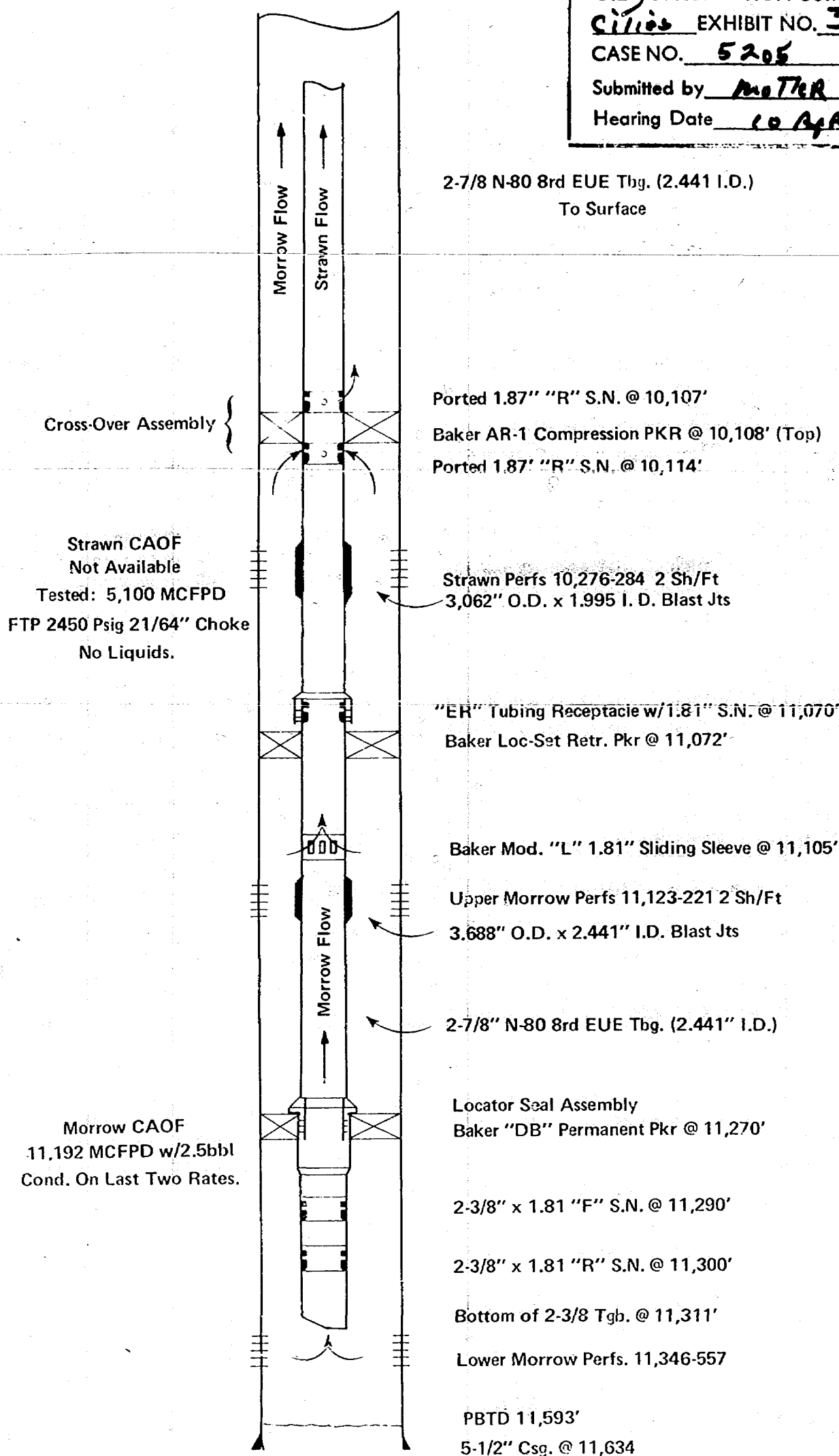
T. D. 11,642'

DOWN HOLE COMPLETION SCHEMATIC

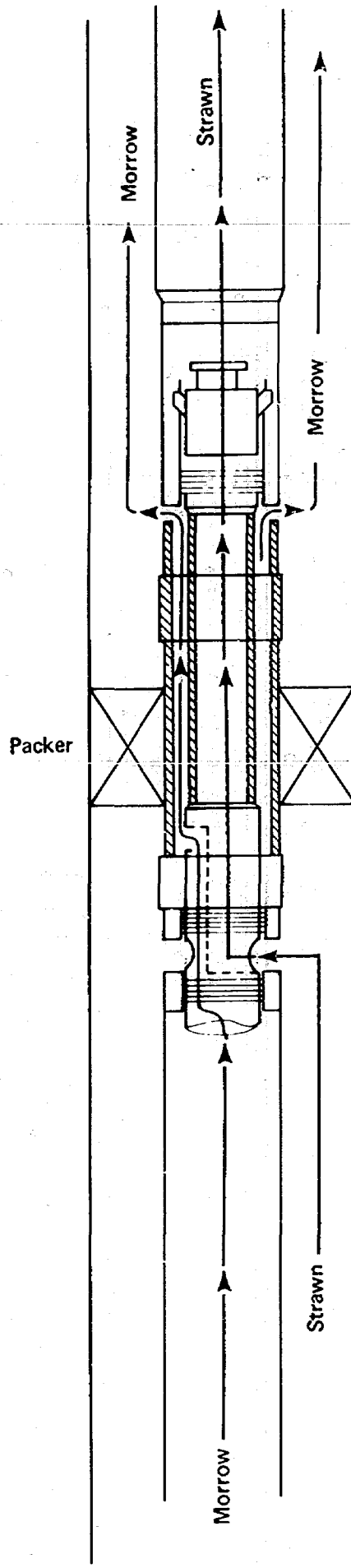
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Cities EXHIBIT NO. 3
CASE NO. 5205

Submitted by MOTHER
Hearing Date 10 Apr 74



PASLAY NO. 1
CROSS-OVER ASSEMBLY DETAIL



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Cities EXHIBIT NO. 4
CASE NO. 5205
Submitted by MOTOR
Hearing Date 10 APR 74

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APPLICATION FOR MULTIPLE COMPLETION

Form G-107
5-1-61

Case 5-205

Operator Cities Service Oil Company		County Eddy	Date March 7, 1974
Address Box 4906 - Midland, Texas 79701		Lease Paslay "A" Com.	Well No. 1
Location of Well K	Unit 8	Township 22S	Range 27E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☒ NO ☐ **Belco Petroleum Corp.**
2. If answer is yes, identify one such instance: Order No. **R-4474**; Operator Lease, and Well No.: **#1 Union Mead**

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undes. - Strawn		Undes. - Morrow
b. Top and Bottom of Pay Section (Perforations)	10,276' - 10,284'		11,123' - 11,557'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

4. The following are attached. (Please check YES or NO)

- | | | |
|---|-------------------------------------|---|
| Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.* |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Belco Petroleum Corporation - 2000 Wilco Bldg. - Midland, Texas

Morris Antweil - Box 2010 - Hobbs, New Mexico 88240

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification **March 7, 1974**

CERTIFICATE: I, the undersigned, state that I am the **Region Oper. Manager** of the **Cities Service Oil Company** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

E. J. J. J.
Signature

DOCKET MAILED

Date **3-29-74**

*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

*Logs mailed to Commission when they were run.

7 5/8" To Surface

TOP LINE IN @ 610'

PASLAY A #1

2230 FSL 1980 FNL

SEC 8 - T22S - R27E

Eddy Co., N. Mex.

7 5/8" @ 8850'

2 7/8" TBG To Surface

MORROW

Baker Mod AP-1 Pkr @ 10,102' w/ SB THRU

56mm Perfs 10276-284' (shot in)

Baker Loc-Set Pkr @ 11,072' w/ EIB Receptacle

Morrow 11123-221'

Baker "DB" Pkr @ 11,270'

Morrow 11346-557'

5 1/2" @ 11,634'

DRAFT

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. 5205

Order No. R- 4767

APPLICATION OF Cities Service Oil Company
FOR A Dual COMPLETION, Eddy COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 10, 1974, at Santa Fe, New Mexico, before Examiner
Richard L. Stevens.

NOW, on this _____ day of _____, 1974, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Cities Service Oil Company,
seeks authority to complete its Asley "A" Com
Well No. 1, located in Unit K of Section 4, Township

22 South, Range 27 East, NMPM, Eddy County, New
~~North~~ ~~West~~

Mexico, as a dual completion ^(conventional) ~~(combination)~~ ^{oil} to produce gas
~~(tubingless)~~

from ~~an~~ ^{an} ~~the~~ undesignated straw gas Pool through the casing-
tubing annulus and thence, by means of a cross-
over assembly, through tubing to the surface, and
gas from an undesignated Morrow gas pool through
tubing and thence, by means of a cross-over as-
sembly, through the casing tubing annulus to
the surface, with separation of the zones achieved

by means of packer set location the perforations
for the respective zones. set at approximately
11,070 feet

-2-

(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 prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to complete its Parlay "A" Com Well No. 1, located in Unit K of Section 8, Township

22 ~~North~~ South, Range 27 ~~West~~ East, NMPM, Eddy County, New

Mexico, as a dual completion ^(conventional) ~~(combination)~~ ^{oil} to produce gas ~~(tubingless)~~

from ~~an~~ Undesignated Morrow gas Pool through the casing-tubing annulus, and thence, by means of a crossover assembly, through tubing to the surface, and gas from an undesignated Morrow gas pool through tubing and thence, by means of a crossover assembly, through the casing-tubing annulus to the surface, with separation of the zones achieved by means of packer set at approximately 11,070 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 take packer-leakage ~~zone-separation~~

tests upon completion and annually thereafter during the Annual

Shut-in Pressure gas wells in Southeast New Mexico
~~Gas-Oil Ratio~~ Test Period for the Pool
~~Deliverability~~

(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.