

CASE 6697: CONOCO INC. FOR AN UNORTHODOX
LOCATION AND DUAL COMPLETION, LEA COUNTY,
NEW MEXICO

CASE NO.

6697

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 October, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc. for an
unorthodox location and dual completion,
Lea County, New Mexico.

CASE
6697

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

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I N D E X

GEORGE YOUNG

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Nutter

9

E X H I B I T S

Applicant Exhibit One, Plat

4

Applicant Exhibit Two, Application

6

Applicant Exhibit Three, Schematic

6

Applicant Exhibit Four, Structure Map

7

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3010 Park Avenue (603) 471-5163
Rumney, N.H. 03061

MR. NUTTER: Call next Case Number 6697.

MR. PADILLA: Application of Conoco, Inc.,
for an unorthodox location and dual completion, Lea County,
New Mexico.

MR. KELLAHIN: Tom Kellahin, of Santa Fe,
New Mexico, appearing on behalf of the applicant, and I
have one witness.

(Witness sworn.)

GEORGE YOUNG

being called as a witness and having been duly sworn upon
his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom
you're employed, and in what capacity?

A My name is George Young. I work with
Conoco, Incorporated, employed as Division Exploitation
Geologist in Hobbs.

Q Mr. Young, have you previously testified
before the Oil Conservation Division and had your qualifi-
cations as a geologist accepted?

A Not in New Mexico.

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1 Q Would you tell the Examiner where you ob-
2 tained your degree?

3 A Received my Bachelor's from Brigham Young
4 University and also my Master's degree from Brigham Young
5 University, completing that in 1975.

6 Began work with Conoco in November of 1974.
7 I worked on training program for eight months, working in
8 Midland and in Houston, after which I went to Casper and
9 worked there as a geologist for three and a half years.

10 Since November of 1978, I've been assigned
11 in Hobbs as their Division Exploitation Geologist.

12 Q As part of your duties as a Division Geol-
13 ogist in the Hobbs Division have you made a study of and
14 are you familiar with the facts surrounding this application?

15 A Yes, I am.

16 MR. KELLAHIN: We tender Mr. Young as an
17 expert geologist.

18 MR. NUTTER: Mr. Young is qualified.

19 Q (Mr. Kellahin continuing.) Would you
20 please refer to what we've marked as Conoco Exhibit Number
21 One, identify that, and explain what you're seeking to ac-
22 complish?

23 A Conoco wishes to drill and dually complete
24 a well in the Custer Devonian and Custer Ellenburger Pools
25 at the location 1650 feet from the north line, 660 feet from

1 the east line of Section 1, Township 25 South, Range 36 East,
2 Lea County, New Mexico, and dedicate the east half of that
3 section, containing 320.03 acres, to the well for allowable
4 purposes.

5 Q What is the proration unit to be assigned
6 to the well, Mr. Young?

7 A The east half of Section 1.

8 Q And this is to be a dual completion?

9 A Yes, that is correct.

10 Q With regards to the Custer Ellenburger
11 Field, would the proposed location be a standard or an unorth-
12 dox location?

13 A In regards to the Custer Ellenburger Pool
14 it would be a standard location. That pool has special
15 pool rules which allow for 660 feet from the south boundary
16 and 320 feet, or 30 feet, from the quarter quarter section
17 lines.

18 Q With regards to the Custer Devonian, which
19 is the other formation in the dual, is this a standard
20 location?

21 A No, it is not. There have been no special
22 rules established for the Custer Devonian; therefore, it is
23 governed by statewide rules.

24 Q And what would the statewide rules be for
25 a 320-acre unit?

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Santa Fe, New Mexico 87501

1 A It would be 1980 from the end boundary
2 and 660 from the side boundary.

3 Q So you're 330 feet closer to the north
4 boundary?

5 A That is correct.

6 Q All right. Before leaving Exhibit Number
7 One, Mr. Young, would you identify for us if there are any
8 other producing Ellenburger or Devonian wells in the area?

9 A The discovery well was made by Shell in
10 Section 36 to the north. It has been plugged back in the
11 Ellenburger and is currently producing from the Devonian
12 Pool.

13 Q Would you please refer to Exhibit Number
14 Two and identify that?

15 A Exhibit Number Two is the application form
16 to dually complete the well.

17 Q And Exhibit Number Three?

18 A Exhibit Number Three is a schematic showing
19 the proposed wellbore design, showing casing sizes, casing
20 depths, cement, packer seats, and so forth.

21 Q Does the method of dually completing this
22 well conform to the requirements of the Oil Conservation
23 Division?

24 A To the best of my knowledge, it does.

25 Q All right. Would you refer to Exhibit

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1 Number Four and identify that?

2 A. Exhibit Number Four is a structure map,
3 contoured on the top of the Ellenburger Formation. On this
4 map the discovery well by Shell is in Section 36. In the
5 west half of Section 1 is Conoco's Weathersby Well No. 3,
6 which is a dry hole to the Ellenburger.

7 These are the only two wells that have
8 penetrated the Ellenburger in this area.

9 Also identified by the red arrow is our
10 proposed location in Section 1.

11 The faults are shown by heavy dark lines
12 with the thickness of the lines representing the relative
13 throw along the fault.

14 Q Let me ask you this, Mr. Young. In your
15 opinion can you move this proposed well to a standard loca-
16 tion for the Devonian formation and still obtain an economic
17 well?

18 A The Devonian formation, if we moved it to
19 a standard location, which would be south, we'd be approaching
20 the west bounding fault as drawn on Exhibit Four. Preliminary
21 seis information that is just coming in, is picking that
22 fault very close to our proposed location. Moving south
23 would most likely put us on the downthrown block at the
24 Devonian Pool, and thus make it uneconomical.

25 And the Ellenburger Pool, moving south,

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1 would also approach that fault and greatly increase the risk
2 of drilling the well.

3 In addition to that, moving south would
4 bring us either level with the Shell well, or slightly low.
5 That causes us some concern because the Shell well had perfs
6 at -90 -- -900--and -- would put us level with the Shell well
7 or low with it, and the Shell well did water out in the
8 Ellenburger. So that would greatly increase the chances of
9 encountering water in the Ellenburger, and therefore we
10 would respectfully request that permission be granted to
11 drill at the location that we have selected.

12 Q Mr. Young, were Exhibits One through Four
13 prepared by you or compiled under your direction and super-
14 vision?

15 A Exhibits One through Four, Number Four
16 was prepared by myself, and ONE through Three I had input
17 in them and they were prepared with me and other engineers.

18 Q In your opinion, Mr. Young, will approval
19 of this application be in the best interests of conservation,
20 the prevention of waste, and the protection of correlative
21 rights?

22 A Yes, I do.

23 MR. KELLAHIN: We move the introduction of
24 Exhibits One through Four.

25 MR. NUTTER: Conoco Exhibits One through

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1 Four will be admitted in evidence.

3 CROSS EXAMINATION

4 BY MR. NUTTER:

5 Q Mr. Young, now are both of these pools on
6 320-acre spacing?

7 A I believe so.

8 Q But the Devonian formation is under our
9 statewide rules, which is 1980/660 from the side boundaries.

10 A That is correct.

11 Q And special rules for the Ellenburger re-
12 quire locations to be what?

13 A 660 from the side boundary and 330 from
14 the quarter quarter section lines.

15 Q But 660 from any side boundary of the 320?

16 A That's the way I understand it.

17 Q Well now, Mr. Young, on your Exhibit
18 Number Four, this Ellenburger map, these heavy black lines
19 are faults, correct?

20 A That is correct.

21 Q And you've got one that more or less goes
22 north and south and you've got one up at the top of the map
23 that goes northwest-southeast and intersects the other
24 fault, and then you've got a heavy line coming northwest --
25 northeast-southwest, and then you've got a little dashed line

1 crossing over here closing that little triangular-shaped
2 fault structure in there. Is that another fault coming
3 across through there?

4 A Yes. That is the west-bounding fault that
5 I was referring to that we don't want to approach.

6 Q I see.

7 A It was semi-dashed to try to show that it
8 may not be sealing at the Ellenburger horizon.

9 Q The throw on it, apparently, is not very
10 much there.

11 A I've drawn it with 100 feet of throw.

12 Q Uh-huh. Now, what kind of -- did the
13 Shell well produce from the Ellenburger and watered --

14 A Yes, sir.

15 Q --out and is now completed in the Devonian.

16 A That is correct.

17 Q Now, your Well No. 3, you said, was a
18 dry hole in the Ellenburger. Did it test the Devonian?

19 A I would assume so, but I'm not for certain.

20 Q And those are the only two wells on here
21 that have gone through the Ellenburger?

22 A That is correct. If it didn't test the
23 Devonian, it was because log analysis showed that it wasn't
24 productive.

25 Q Uh-huh.

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1 A. But whether we actually made any test at
2 some time, I'm not sure.

3 Q. It penetrated the Devonian, at any rate?

4 A. Yes, it did.

5 Q. Okay.

6 MR. NUTTER: Are there any further questions
7 of this witness? He may be excused.

8 Do you have anything further, Mr. Kellahin?

9 MR. KELLAHIN: No, sir.

10 MR. NUTTER: Does anyone have anything they
11 wish to offer in Case Number 6697?

12 We'll take the case under advisement.

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14 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of the
 Hearing before the Oil Conservation Division was reported
 by me; that said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, from my notes taken at the time of the hearing.

Sally W. Boyd CSE
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6697
 heard by me on 10/17 19 77.

[Signature], Examiner
 Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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EXAMINER HEARING

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Division:

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State Land Office Building
Santa Fe, New Mexico 87503

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I N D E X

GEORGE YOUNG

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E X H I B I T S

Applicant Exhibit One, Plat	4
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Bunka Tr., New Mexico 87001

1 MR. NUTTER: Call next Case Number 6697.

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3 for an unorthodox location and dual completion, Lea County,
4 New Mexico.

5 MR. KELLAHIN: Tom Kellahin, of Santa Fe,
6 New Mexico, appearing on behalf of the applicant, and I
7 have one witness.

8
9 (Witness sworn.)

10
11 GEORGE YOUNG

12 being called as a witness and having been duly sworn upon
13 his oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

17 Q Would you please state your name, by whom
18 you're employed, and in what capacity?

19 A My name is George Young. I work with
20 Conoco, Incorporated, employed as Division Exploitation
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22 Q Mr. Young, have you previously testified
23 before the Oil Conservation Division and had your qualifi-
24 cations as a geologist accepted?

25 A Not in New Mexico.

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Santa Fe, New Mexico 87501

1 Q Would you tell the Examiner where you ob-
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3 A Received my Bachelor's from Brigham Young
4 University and also my Master's degree from Brigham Young
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7 I worked on training program for eight months, working in
8 Midland and in Houston, after which I went to Casper and
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16 MR. KELLAHIN: We tender Mr. Young as an
17 expert geologist.

18 MR. NUTTER: Mr. Young is qualified.

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20 please refer to what we've marked as Conoco Exhibit Number
21 One, identify that, and explain what you're seeking to ac-
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24 a well in the Custer Devonian and Custer Ellenburger Pools
25 at the location 1650 feet from the north line, 660 feet from

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Santa Fe, New Mexico 87501

1 the east line of Section 1, Township 25 South, Range 36 East,
2 Lea County, New Mexico, and dedicate the east half of that
3 section, containing 320.03 acres, to the well for allowable
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5 Q What is the proration unit to be assigned
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11 Field, would the proposed location be a standard or an unorthodox
12 location?

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24 A To the best of my knowledge, it does.

25 Q All right. Would you refer to Exhibit

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1 Number Four and identify that?

2 A. Exhibit Number Four is a structure map,
3 contoured on the top of the Ellenburger Formation. On this
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5 west half of Section 1 is Conoco's Weathersby Well No. 3,
6 which is a dry hole to the Ellenburger.

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23 would most likely put us on the downthrown block at the
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25 And the Ellenburger Pool, moving south,

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1 would also approach that fault and greatly increase the risk
2 of drilling the well.

3 In addition to that, moving south would
4 bring us either level with the Shell well, or slightly low.
5 That causes us some concern because the Shell well had perfs
6 at -90 -- -900--and -- would put us level with the Shell well
7 or low with it, and the Shell well did water out in the
8 Ellenburger. So that would greatly increase the chances of
9 encountering water in the Ellenburger, and therefore we
10 would respectfully request that permission be granted to
11 drill at the location that we have selected.

12 Q Mr. Young, were Exhibits One through Four
13 prepared by you or compiled under your direction and super-
14 vision?

15 A Exhibits One through Four, Number Four
16 was prepared by myself, and ONE through Three I had input
17 in them and they were prepared with me and other engineers.

18 Q In your opinion, Mr. Young, will approval
19 of this application be in the best interests of conservation,
20 the prevention of waste, and the protection of correlative
21 rights?

22 A Yes, I do.

23 MR. KELLAHIN: We move the introduction of
24 Exhibits One through Four.

25 MR. NUTTER: Conoco Exhibits One through

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Santa Fe, New Mexico 87501

1 Four will be admitted in evidence.

2

3

CROSS EXAMINATION

4

BY MR. NUTTER:

5

Q Mr. Young, now are both of these pools on
6 320-acre spacing?

7

A I believe so.

8

Q But the Devonian formation is under our
9 statewide rules, which is 1980/660 from the side boundaries.

10

A That is correct.

11

Q And special rules for the Ellenburger re-
12 quire locations to be what?

13

A 660 from the side boundary and 330 from
14 the quarter quarter section lines.

15

Q But 660 from any side boundary of the 320?

16

A That's the way I understand it.

17

Q Well now, Mr. Young, on your Exhibit
18 Number Four, this Ellenburger map, these heavy black lines
19 are faults, correct?

20

A That is correct.

21

Q And you've got one that more or less goes
22 north and south and you've got one up at the top of the map
23 that goes northwest-southeast and intersects the other
24 fault, and then you've got a heavy line coming northwest --
25 northeast-southwest, and then you've got a little dashed line

1 crossing over here closing that little triangular-shaped
2 fault structure in there. Is that another fault coming
3 across through there?

4 A. Yes. That is the west-bounding fault that
5 I was referring to that we don't want to approach.

6 Q. I see.

7 A. It was semi-dashed to try to show that it
8 may not be sealing at the Ellenburger horizon.

9 Q. The throw on it, apparently, is not very
10 much there.

11 A. I've drawn it with 100 feet of throw.

12 Q. Uh-huh. Now, what kind of -- did the
13 Shell well produce from the Ellenburger and watered --

14 A. Yes, sir.

15 Q. --out and is now completed in the Devonian.

16 A. That is correct.

17 Q. Now, your Well No. 3, you said, was a
18 dry hole in the Ellenburger. Did it test the Devonian?

19 A. I would assume so, but I'm not for certain.

20 Q. And those are the only two wells on here
21 that have gone through the Ellenburger?

22 A. That is correct. If it didn't test the
23 Devonian, it was because log analysis showed that it wasn't
24 productive.

25 Q. Uh-huh.

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San Antonio, New Mexico 37301

1 A But whether we actually made any test at
2 some time, I'm not sure.

3 Q It penetrated the Devonian, at any rate?

4 A Yes, it did.

5 Q Okay.

6 MR. NUTTER: Are there any further questions
7 of this witness? He may be excused.

8 Do you have anything further, Mr. Kellahin?

9 MR. KELLAHIN: No, sir.

10 MR. NUTTER: Does anyone have anything they
11 wish to offer in Case Number 66972?

12 We'll take the case under advisement.

13
14 (Hearing concluded.)
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3030 Plaza Blanca (S.E.) 471-4462
Baltimore, Md. New Mexico 87301

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of the
 Hearing before the Oil Conservation Division was reported
 by me; that said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, from my notes taken at the time of the hearing.

 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6697
 heard by me on 10/17 1979.
[Signature], Examiner
 Oil Conservation Division

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 CERTIFIED SHORTHAND REPORTER
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 6, 1979

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(505) 827-2434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6697
ORDER NO. R-6163

Applicant:

Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6697
Order No. R-6163

APPLICATION OF CONOCO INC. FOR AN
UNORTHODOX LOCATION AND A DUAL
COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Conoco Inc., seeks authority to complete its Wells B-1 Well No. 5, to be drilled at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, NMPM, Custer Field, Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Custer-Devonian Gas Pool and the Custer-Ellenburger Gas Pool through parallel strings of 2 3/8-inch tubing, with separation of the zones to be achieved by means of a packer set at approximately 12,500 feet.
- (3) That although the aforesaid location is a standard location for the Custer-Ellenburger Gas Pool, it is unorthodox with respect to the Custer-Devonian Gas Pool.
- (4) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6697
Order No. R-6163

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the subject pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

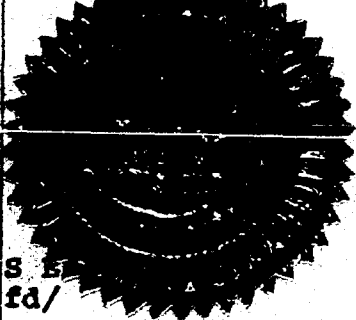
(1) That the applicant, Conoco Inc., is hereby authorized to drill its Wells B-1 Well No. 5 at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, and to complete said well as a dual completion (conventional) to produce gas from the Custer-Devonian Gas Pool and the Custer-Ellenburger Gas Pool through parallel strings of 2 3/8-inch tubing with separation of the zones to be achieved by means of a packer set at approximately 12,500 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 the Custer-Ellenburger Gas Pool.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S. E.
fd/

NEW MEXICO OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator		County		Date
Conoco Inc.		Lea		10-15-79
Address		Lease		Well No.
P.O. Box 460, Hobbs, N.M. 88240		Wells B-1		5
Location or Well	Unit	Section	Township	Range
	H	1	25-S	36-E

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 X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.: _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Custer Devonian		Custer Ellenburger
b. Top and Bottom of Pay Section (Perforations)	(Top) 9814		(Top) 12,679
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 mark YES or NO)

- Yes 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.
- Yes 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.
- No 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.*
- No 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.

Union Texas, P.O. Box 200051, Houston, Tx. 77216

Cities Services, P.O. Box 1919, Midland, Tx. 79701

NMOCD - Santa Fe (2), Hobbs (2) : File

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO X . If answer is yes, give date of such notification _____

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Conoco Inc. (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.

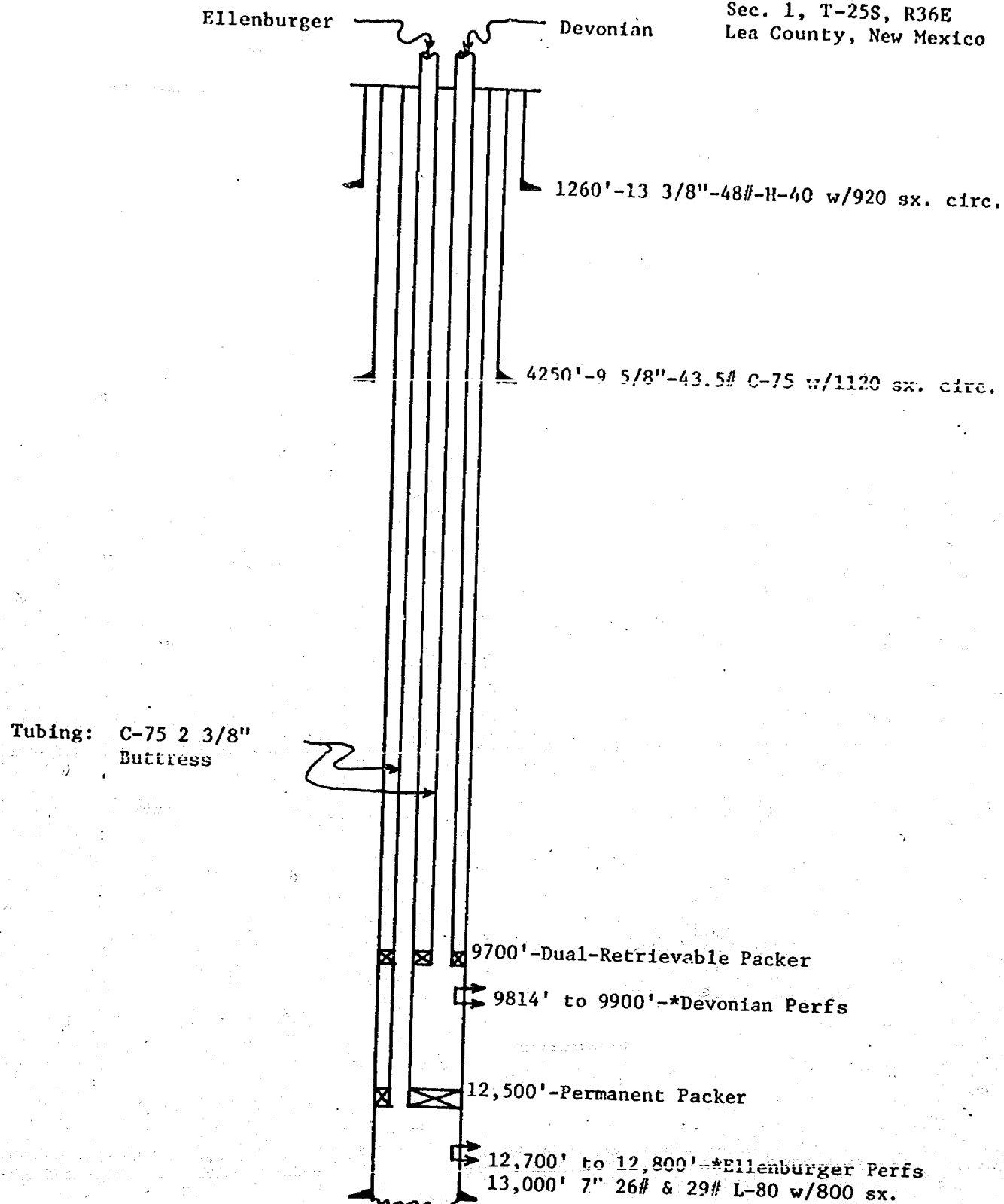
[Signature]
Signature

* 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 production unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

EXHIBIT NO. 3

Wells B-1 No. 5
1650' FNL & 660' FEL
Sec. 1, T-25S, R36E
Lea County, New Mexico



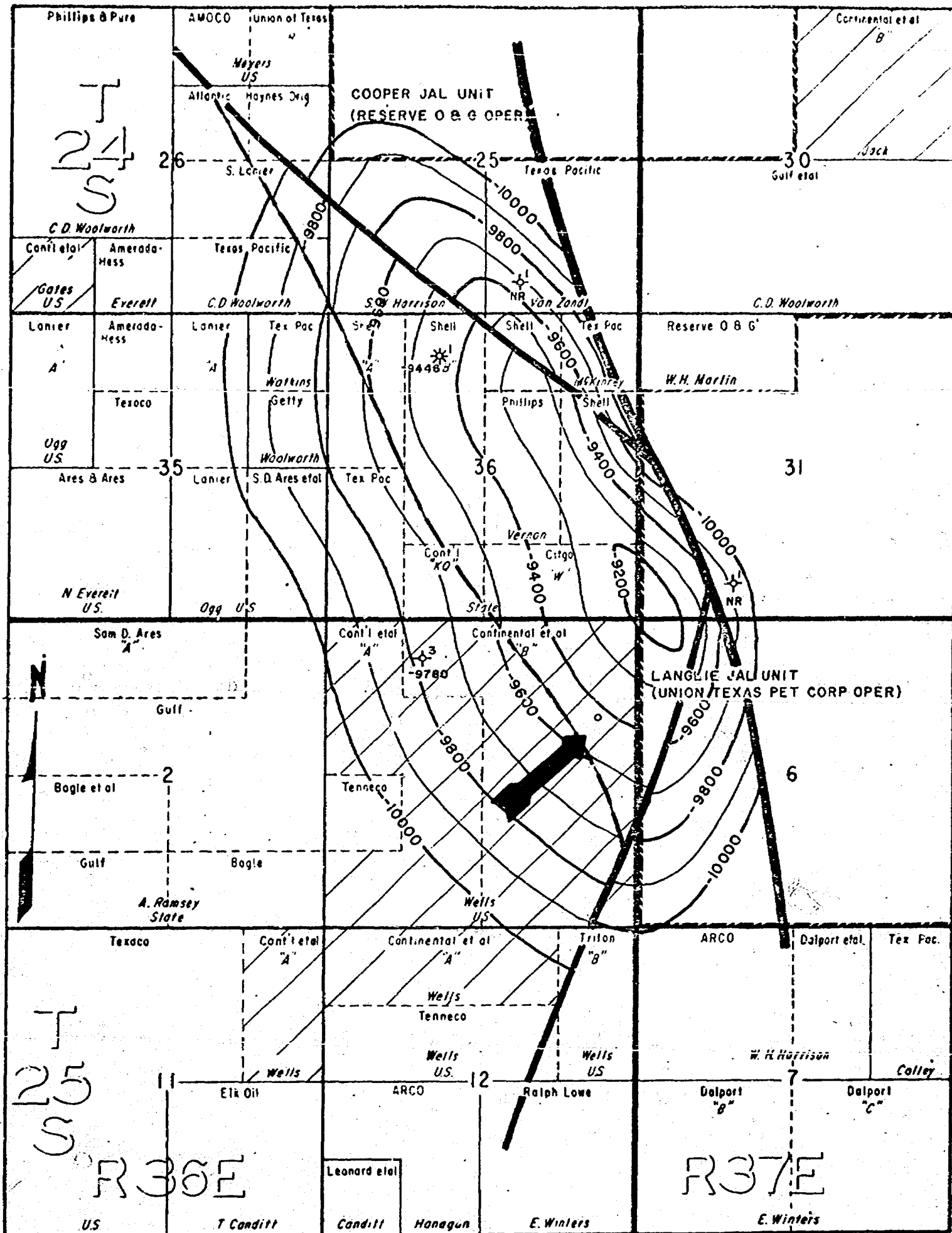
RAF - 10-15-79

WELLS B-1 WELL NO. 5

*Approximate Depth-Actual
Depth To Be Arrived At From
Open Hole Logs.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
CONOCO INC.	EXHIBIT NO. 3
CASE NO.	6697

EXHIBIT NO. 3



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

CONOCO INC. EXHIBIT NO. 4

CASE NO. 6697

CONOCO

PRODUCTION DEPARTMENT

HOBBS DIVISION

CUSTER ELLENBURGER POOL
LEA COUNTY, NEW MEXICO
ELLENBURGER STRUCTURE
CI: 100'

SCALE

KEY 10-79

0 1000 2000

1/4 mi

LEGEND:

● LOCATION

○ OIL WELL

★ GAS WELL

◆ DRY HOLE

▲ INJECTION WELL

✱ ABANDONED WELL

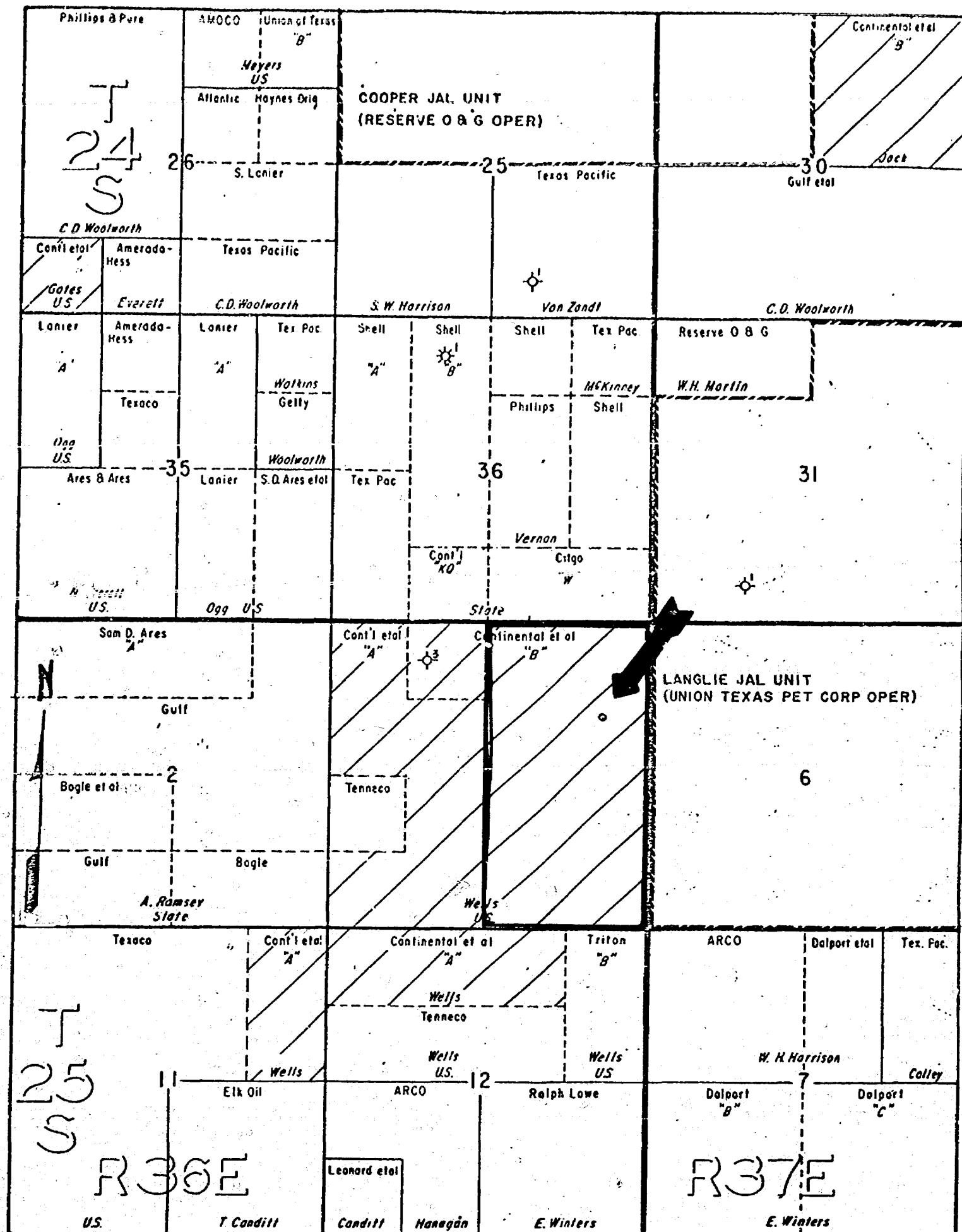
✱ SHUT-IN WELL

● SALT WATER

● DISPOSAL WELL

● DEEPER WELL

● ZONE UNTESTED



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

CONOCO INC. EXHIBIT NO. 1

CASE NO. 6697

CONOCO

PRODUCTION DEPARTMENT

HOBBS DIVISION

LEA COUNTY, NEW MEXICO

SCALE

1000 2000

NEW MEXICO OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Conoco Inc.		County Lea		Date 10-15-79
Address P.O. Box 460, Hobbs, N.M. 88240		Lease Wells B-1		Well No. 5
Location or Well	Unit H	Section 1	Township 25-S	Range 36-E

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 X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.: _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Custer Devonian		Custer Ellenburger
b. Top and Bottom of Pay Section (Perforations)	(Top) 9814		(Top) 12,679
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 mark YES or NO)

- Yes 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 slide door chokes, and such other information as may be pertinent.
- Yes 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.
- No 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.*
- No 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.

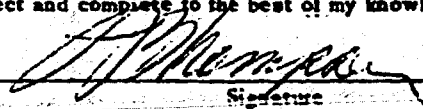
Union Texas, P.O. Box 200051, Houston, Tx. 77216

Cities Services, P.O. Box 1919, Midland, Tx. 79701

NMOCD - Santa Fe (2), Hobbs (2) : File

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO X . If answer is yes, give date of such notification _____

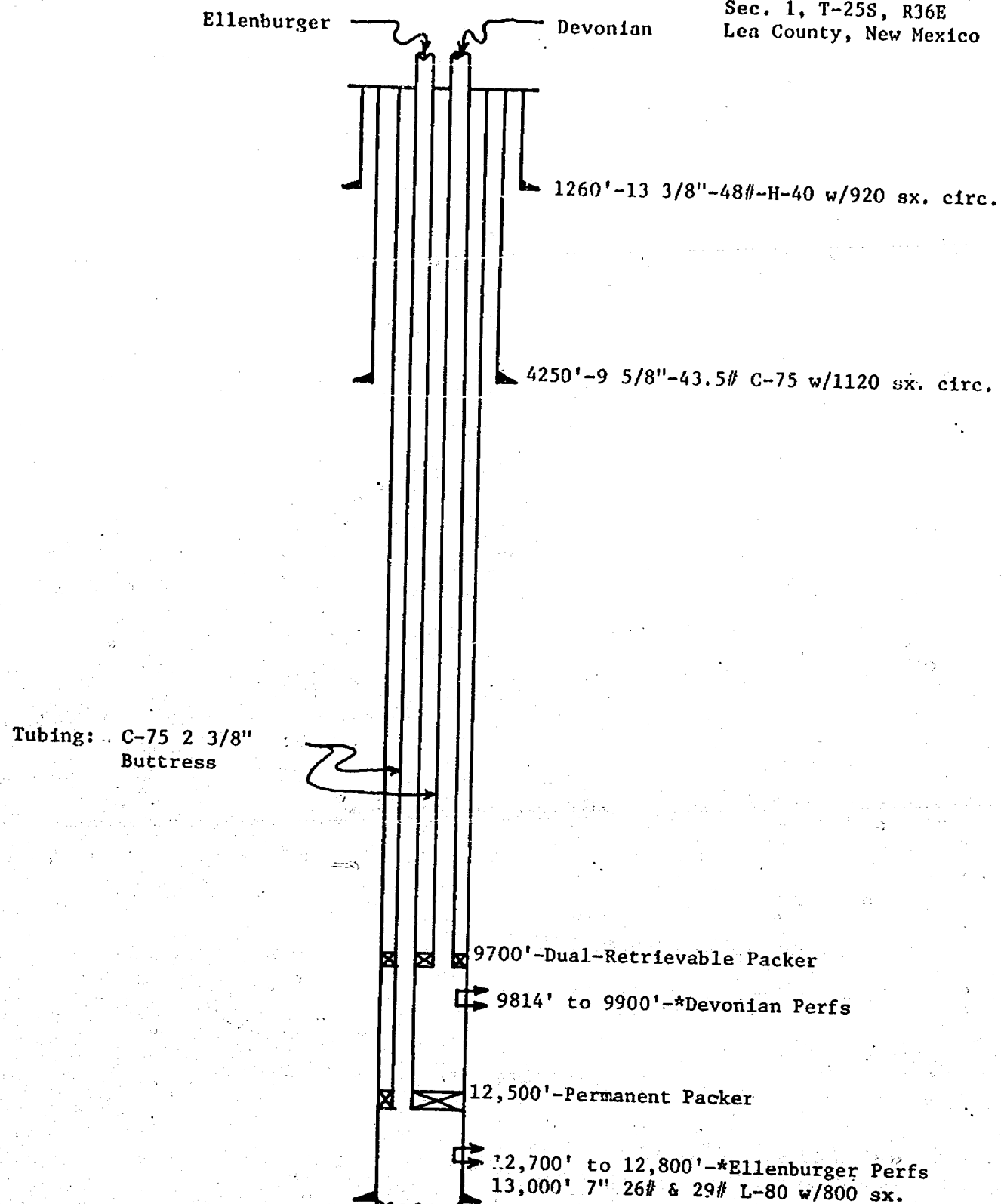
CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.


Signature

* 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 either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Wells B-1 No. 5
 1650' FNL & 660' FEL
 Sec. 1, T-25S, R36E
 Lea County, New Mexico

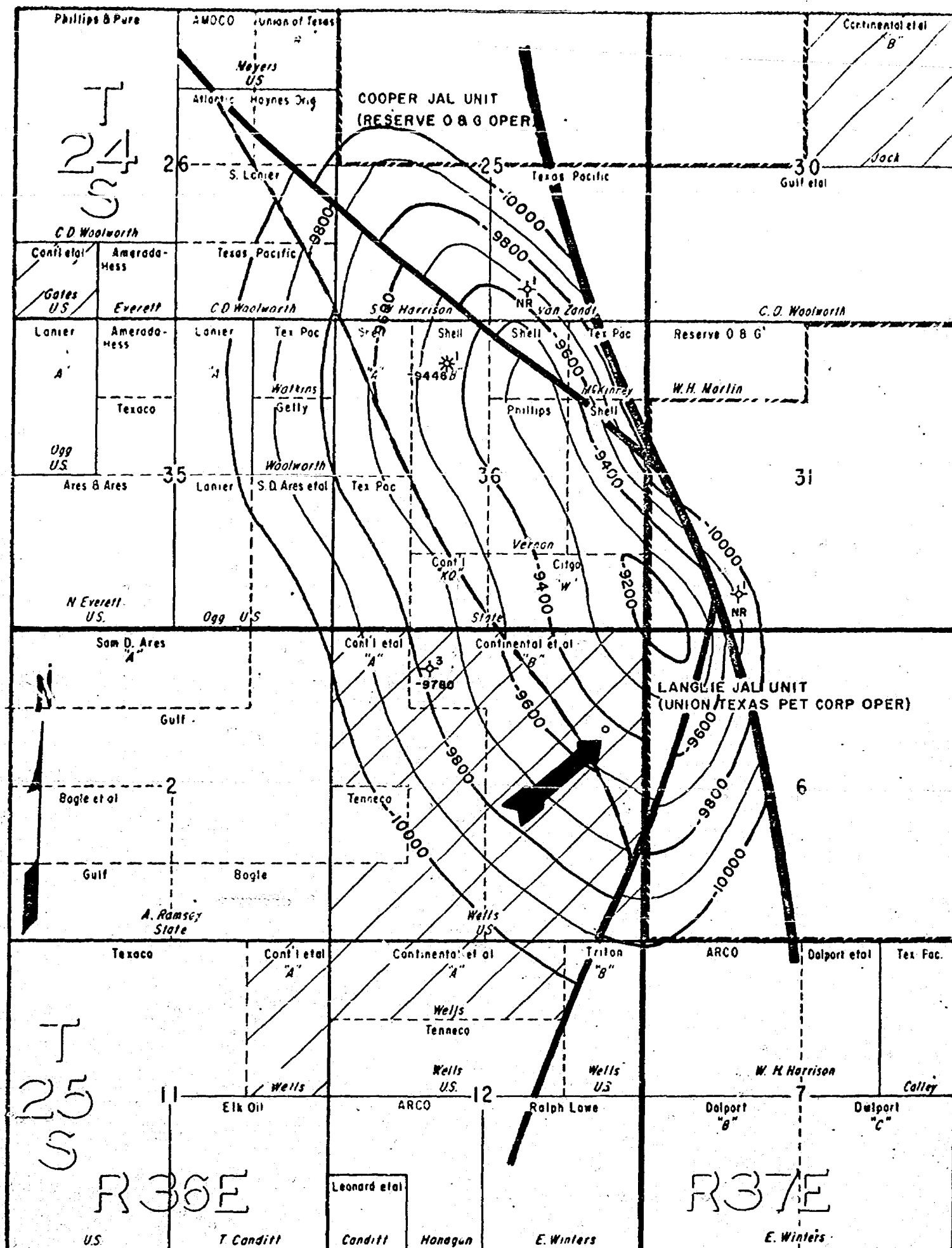


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WELLS B-1 WELL NO. 5

*Approximate Depth-Actual
 Depth To Be Arrived At From
 Open Hole Logs.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
CONOCO INC.	EXHIBIT NO. 3
CASE NO. 6697	



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

CONOCO INC. EXHIBIT NO. 4

CASE NO. 6697

CONOCO

PRODUCTION DEPARTMENT

HOBBS DIVISION

CUSTER ELLENBURGER POOL
LEA COUNTY, NEW MEXICO
ELLENBURGER STRUCTURE
CI: 100'

SCALE

GEY 10-79

0 1000 2000

MI

LEGEND:

○ LOCATION
● OIL WELL
* GAS WELL

◇ DRY HOLE
▲ INJECTION WELL
* ABANDONED WELL
* SHUT-IN WELL

● SALT WATER
DISPOSAL WELL
● DEEPER WELL
● ZONE UNTESTED

SCALE

1969 2020

NEW MEXICO OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator		County		Date
Conoco Inc.		Lea		10-15-79
Address		Lease		Well No.
P.O. Box 460, Hobbs, N.M. 88240		Wells B-1		5
Location or Well	Unit	Section	Township	Range
	H	1	25-S	36-E

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 X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.: _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Custer Devonian		Custer Ellenburger
b. Top and Bottom of Pay Section (Perforations)	(Top) 9814		(Top) 12,679
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 mark YES or NO)

- Yes 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.
- Yes 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.
- No 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.
- No 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.

Union Texas, P.O. Box 200051, Houston, Tx. 77216

Cities Services, P.O. Box 1919, Midland, Tx. 79701

NMOCD - Santa Fe (2), Hobbs (2) : File

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO X . If answer is yes, give date of such notification _____

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Conoco Inc. (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.

Signature

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

EXHIBIT NO. 3

Wells B-1 No. 5
1650' FNL & 660' FEL
Sec. 1, T-25S, R36E
Lea County, New Mexico

Ellenburger

Devonian

1260'-13 3/8"-48#-H-40 w/920 sx. circ.

4250'-9 5/8"-43.5# C-75 w/1120 sx. circ.

Tubing: C-75 2 3/8"
Buttress

9700'-Dual-Retrievable Packer

9814' to 9900'-*Devonian Perfs

12,500'-Permanent Packer

12,700' to 12,800'-*Ellenburger Perfs
13,000' 7" 26# & 29# L-80 w/800 sx.

RAF - 10-15-79

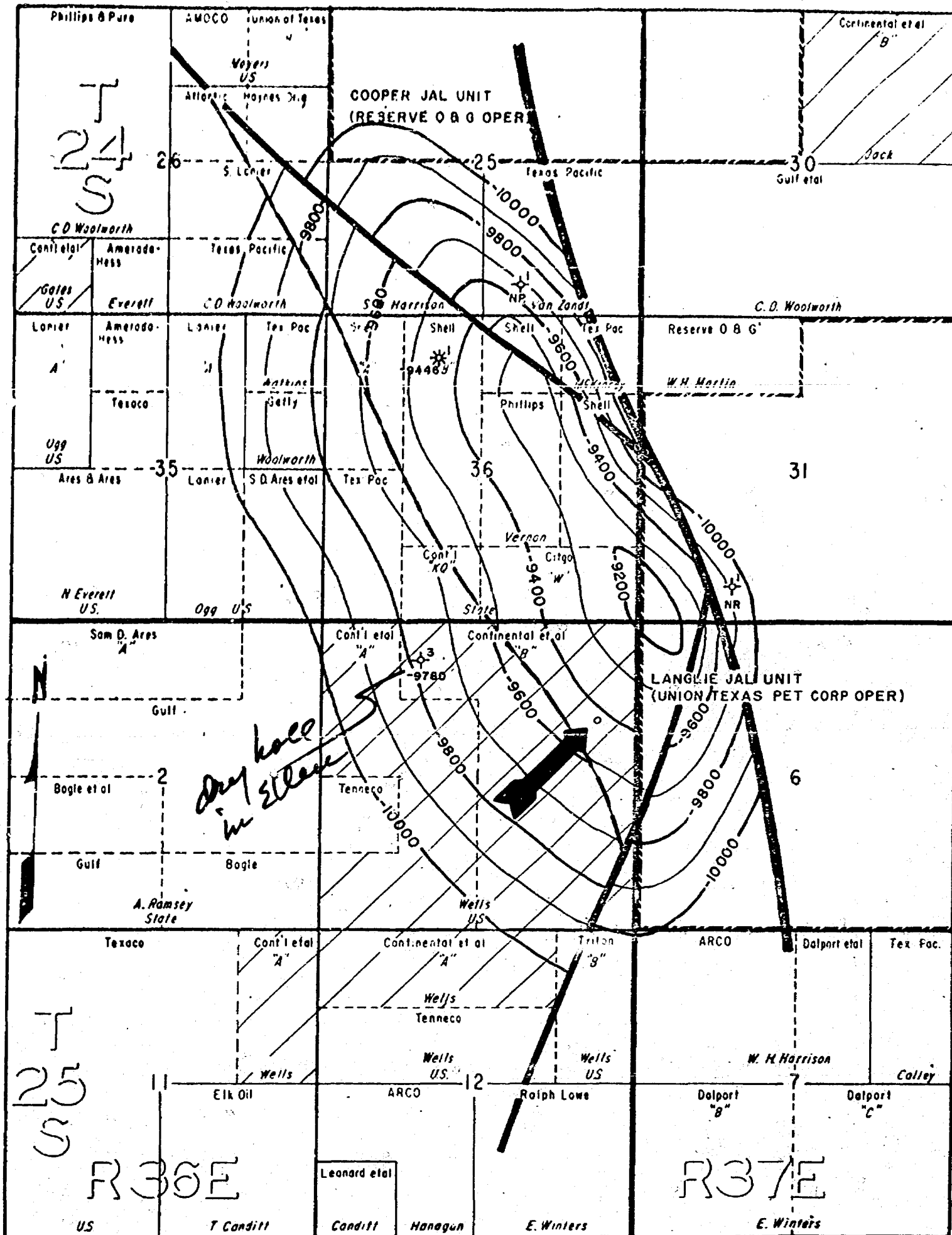
WELLS B-1 WELL NO. 5

*Approximate Depth-Actual
Depth To Be Arrived At From
Open Hole Logs.

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

CONOCO INC. EXHIBIT NO. 3
CASE NO. 6697

EXHIBIT NO. 3



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

CONOCO INC. EXHIBIT NO. 4

CASE NO. 6697

conoco

PRODUCTION DEPARTMENT

HOBBS DIVISION

CUSTER ELLENBURGER POOL
LEA COUNTY, NEW MEXICO
ELLENBURGER STRUCTURE
CI: 100'

SCALE

GEY 10-79

0 1000 2000

ftm

LEGEND:

○ LOCATION

● OIL WELL

✱ GAS WELL

✱ DRY HOLE

▲ INJECTION WELL

✱ ABANDONED WELL

✱ SHUT-IN WELL

● SALT WATER

● DISPOSAL WELL

● DEEPER WELL

● ZONE UNTESTED

Docket No. 40-79

Dockets Nos. 41-79 and 42-79 are tentatively set for October 31 and November 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 17, 1979

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6693: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian test well to be located 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, the S/2 of said Section 30 to be dedicated to the well.
- CASE 6694: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 35, Township 18 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6695: Application of Millard Deck Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6696: Application of R. Q. Silverthorne for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Yates test well to be drilled 1310 feet from the South and West lines of Section 30, Township 18 South, Range 31 East, Shugart Pool.
- CASE 6697: Application of Conoco Inc. for an unorthodox location and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Wells B-1 Well No. 5 at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, to produce gas from the Devonian and Ellenburger formations, Custer Field, thru parallel strings of tubing, the E/2 of said Section 1 to be dedicated to the well.
- CASE 6671: (Continued from October 2, 1979, Examiner Hearing)
- Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Well No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.
- CASE 6698: Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6699: Application of Robert C. Anderson for two unorthodox gas well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Ute Mountain Ute Well No. 1 located in the center of Unit L, and Well No. 3, located 2310 feet from the North and West lines, both in Section 14, Township 31 North, Range 16 West, the SW/4 of said Section 14 to be dedicated to Well No. 1 and the NW/4 to be dedicated to Well No. 3.

CASE 6680: (Continued from October 2, 1979, Examiner Hearing)

Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6631: (Continued from August 22, 1979, Examiner Hearing)

Application of Reserve Oil, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production in the wellbore of its Cooper Jal Unit Well No. 149-306 located in Unit J of Section 18, Township 24 South, Range 37 East.

CASE 6700: Application of Doyle Hartman for an unorthodox well location, a non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 and S/2 NW/4 of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 330 feet from the West line of said Section 29; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6701: Application of Doyle Hartman for compulsory pooling, non-standard gas proration unit, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formations underlying the SE/4 of Section 30, Township 21 South, Range 36 East, Eumont Gas Pool, to form a 160-acre non-standard gas proration unit to be dedicated to his J. K. Rector Well No. 1 at an unorthodox location 2310 feet from the South line and 330 feet from the East line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6676: (Continued from October 2, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6664: (Continued from September 19, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6662: (Continued from September 19, 1979, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.

CASE 6702: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 27-5 Unit Well No. 67 located in Unit B of Section 31, Township 27 North, Range 5 West.

CASE 6487: (Continued from July 25, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6679: (Continued from October 2, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 36, Township 25 South, Range 24 East; Sections 1 thru 5 and 9 thru 14, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,138 acres, more or less, of State, federal and fee lands.

CASE 6703: Application of El Paso Natural Gas Company for underground gas storage, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas storage project in the Morrow formation underlying its Washington Ranch Morrow Unit Area in Townships 25 and 26 South, Ranges 24 and 25 East, Washington Ranch-Morrow Gas Pool. Applicant further seeks the promulgation of rules governing the drilling and completion of wells going thru the Morrow formation and the first 100 feet immediately above and below said formation underlying the unit area into deeper formations, and the establishment of an administrative procedure for the consideration of exceptions to the Division's well spacing and casing and tubing requirements for its injection and withdrawal wells.

CASE 6704: Application of ARCO Oil and Gas Company for the amendment of Order No. R-6044, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6044 which authorized the drilling of a horizontal drainhole in the Empire-Abo Pool. Applicant proposes to amend the target area prescribed by said order for the drainhole.

CASE 6705: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Southwest Indian Flats-Morrow Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 68 located in Unit K of Section 10, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka-Morrow production and designated as the South Kemnitz Atoka-Morrow Gas Pool. The discovery well is Tenneco Oil Company Kemnitz Deep Well No. 1 located in Unit G of Section 29, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 29: E/2

(c) EXTEND the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 3: S/2

(d) EXTEND the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 30: S/2

(e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

- (f) EXTEND the East Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 22: S/2
Section 23: S/2
Section 28: E/2

- (g) EXTEND the Box Canyon-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 7: S/2
Section 18: N/2

- (h) EXTEND the Bluit-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 22: NE/4

- (i) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 12: W/2

- (j) EXTEND the South Brunson-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 30: NE/4

- (k) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 4: NW/4

- (l) EXTEND the North Cemetery-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 18: All

- (m) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 3: NW/4

- (n) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 34: E/2

- (o) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 11: All

- (p) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 18: SW/4

- (q) EXTEND the Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 36: N/2

- (r) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: N/2

- (s) EXTEND the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 12: SW/4

- (t) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: N/2
Section 36: N/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 2: SW/4

- (u) EXTEND the Imperial Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

- (v) EXTEND the West Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 14: W/2

- (w) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 8: SE/4
Section 9: SW/4

- (x) EXTEND the Langlie-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 20: E/2

- (y) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 32: SW/4

- (z) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 8: S/2
Section 16: E/2

- (aa) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 21: W/2

- (bb) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 25: S/2
Section 36: All

- (cc) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 31: SE/4

- (dd) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 30: SE/4

- (ee) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: N/2 SE/4 and S/2 NE/4

(ff) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 31: W/2

(gg) EXTEND the Shugart-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: W/2
Section 33: E/2
Section 34: W/2 and SE/4
Section 35: All

(hh) EXTEND the North Teague-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 21: NE/4

(ii) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 31: SW/4

(jj) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 13: N/2 S/2



L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

September 25, 1979

Case 6697

Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Approval to Dually Complete the Wells B-1 Well No. 5
in the Custer Devonian and the Custer Ellenburger Pools at a Non-Standard
Location for the Devonian, Lea County, New Mexico

Enclosed are three (3) copies of the above named application. Per your
phone conversation with Hugh Ingram of this office, it is understood that
this matter will be placed on the Examiner Docket for October 17, 1979.

Very truly yours,

John R. Kemp

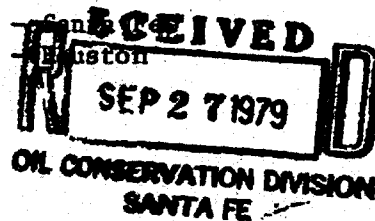
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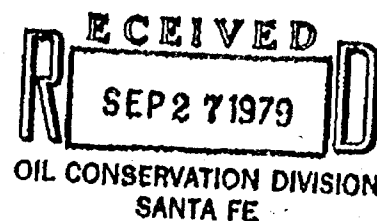
Tom Kellahin

Vic Lyon



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DUALLY
COMPLETE ITS WELLS B-1 WELL NO. 5
IN THE CUSTER DEVONIAN GAS AND THE
CUSTER ELLENBURGER GAS POOLS AT A
NON-STANDARD LOCATION FOR THE CUSTER
DEVONIAN GAS POOL, TO BE LOCATED 1650'
FNL AND 660' FEL, SECTION 1, T-25S,
R-36E, LEA COUNTY, NEW MEXICO



Case 6697

APPLICATION

Applicant, CONOCO INC., respectfully requests authority to dually complete in the Custer Devonian Gas and the Custer Ellenburger Gas pools at a non-standard location for the Custer Devonian Gas Pool, its Wells B-1 Well No. 5 located in Unit "H" of Section 1, T-25S, R-36E, Lea County, New Mexico and in support thereof will show:

1. Applicant is operator and co-owner of the Wells B-1 Lease, which in addition to other lands includes the E/2 of Section 1, T-25S, R-36E, being Lots 1 and 2, S/2 NE/4, and SE/4 of said Section in Lea County, New Mexico containing 320.03 acres.
2. Applicant wishes to drill and dually complete in the Custer Devonian and Custer Ellenburger Gas pools its Wells B-1 Well No. 5, at a non-standard Custer Devonian location 1650' FNL and 660' FEL of said Section on said lease.
3. That dual completion in the Custer Devonian and Custer Ellenburger Gas pools will recover reserves that would not otherwise be recovered.
4. That the proposed location is a standard location for the Custer Ellenburger Gas Pool.
5. That drilling at the proposed non-standard Custer Devonian Gas Pool location will enhance the chances of encountering gas reserves of economic quantity.
6. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner and, upon

Oil Conservation Division
Energy and Minerals Dept.
September 25, 1979
Page 2

hearing, an order will be entered authorizing the dual completion of the
Wells B-1 Well No. 5 at the described location.

Respectfully submitted,

CONOCO INC.

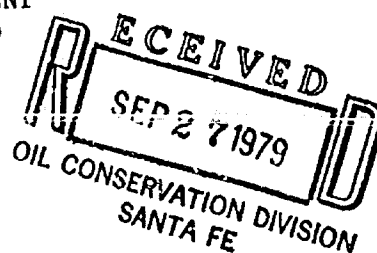
By



John R. Kemp
Assistant Division Manager
of Production
Hobbs Division

HAI:rej

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DUALY
COMPLETE ITS WELLS B-1 WELL NO. 5
IN THE CUSTER DEVONIAN GAS AND THE
CUSTER ELLENBURGER GAS POOLS AT A
NON-STANDARD LOCATION FOR THE CUSTER
DEVONIAN GAS POOL, TO BE LOCATED 1650'
FNL AND 660' FEL, SECTION 1, T-25S,
R-36E, LEA COUNTY, NEW MEXICO

Case 6697

APPLICATION

Applicant, CONOCO INC., respectfully requests authority to dually complete in the Custer Devonian Gas and the Custer Ellenburger Gas pools at a non-standard location for the Custer Devonian Gas Pool, its Wells B-1 Well No. 5 located in Unit "H" of Section 1, T-25S, R-36E, Lea County, New Mexico and in support thereof will show:

1. Applicant is operator and owner of the Wells B-1 Lease, which in addition to other lands includes the E/2 of Section 1, T-25S, R-36E, being Lots 1 and 2, S/2 NE/4, and SE/4 of said Section in Lea County, New Mexico containing 320.03 acres.
2. Applicant wishes to drill and dually complete in the Custer Devonian and Custer Ellenburger Gas pools its Wells B-1 Well No. 5, at a non-standard Custer Devonian location 1650' FNL and 660' FEL of said Section on said lease.
3. That dual completion in the Custer Devonian and Custer Ellenburger Gas pools will recover reserves that would not otherwise be recovered.
4. That the proposed location is a standard location for the Custer Ellenburger Gas Pool.
5. That drilling at the proposed non-standard Custer Devonian Gas Pool location will enhance the chances of encountering gas reserves of economic quantity.
6. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

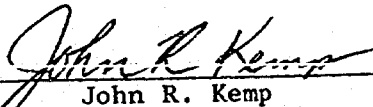
WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner and, upon

Oil Conservation Division
Energy and Minerals Dept.
September 25, 1979
Page 2

hearing, an order will be entered authorizing the dual completion of the
Wells B-1 Well No. 5 at the described location.

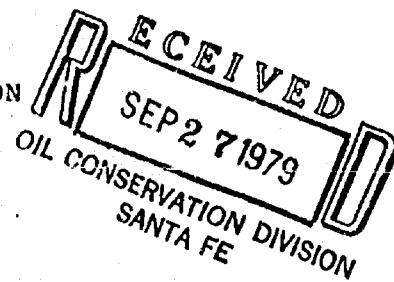
Respectfully submitted,

CONOCO INC.

By 
John R. Kemp
Assistant Division Manager
of Production
Hobbs Division

HAI:rej

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DUALY
COMPLETE ITS WELLS B-1 WELL NO. 5
IN THE CUSTER DEVONIAN GAS AND THE
CUSTER ELLENBURGER GAS POOLS AT A
NON-STANDARD LOCATION FOR THE CUSTER
DEVONIAN GAS POOL, TO BE LOCATED 1650'
FNL AND 660' FEL, SECTION 1, T-25S,
R-36E, LEA COUNTY, NEW MEXICO

Case 6697

APPLICATION

Applicant, CONOCO INC., respectfully requests authority to dually complete in the Custer Devonian Gas and the Custer Ellenburger Gas pools at a non-standard location for the Custer Devonian Gas Pool, its Wells B-1 Well No. 5 located in Unit "H" of Section 1, T-25S, R-36E, Lea County, New Mexico and in support thereof will state:

1. Applicant is operator and co-owner of the Wells B-1 Lease, which in addition to other lands includes the E/2 of Section 1, T-25S, R-36E, being Lots 1 and 2, S/2 NE/4, and SE/4 of said Section in Lea County, New Mexico containing 320.03 acres.
2. Applicant wishes to drill and dually complete in the Custer Devonian and Custer Ellenburger Gas pools its Wells B-1 Well No. 5, at a non-standard Custer Devonian location 1650' FNL and 660' FEL of said Section on said lease.
3. That dual completion in the Custer Devonian and Custer Ellenburger Gas pools will recover reserves that would not otherwise be recovered.
4. That the proposed location is a standard location for the Custer Ellenburger Gas Pool.
5. That drilling at the proposed non-standard Custer Devonian Gas Pool location will enhance the chances of encountering gas reserves of economic quantity.
6. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner and, upon

Oil Conservation Division
Energy and Minerals Dept.
September 25, 1979
Page 2

hearing, an order will be entered authorizing the dual completion of the
Wells B-1 Well No. 5 at the described location.

Respectfully submitted,

CONOCO INC.

By John R. Kemp
John R. Kemp
Assistant Division Manager
of Production
Hobbs Division

HAI:rej

71
appl of Conoco Inc for an
unorthodox location and
dual completion, Lea Co., NM

applicant, in the above styled Cause
seeks approval for the dual completion
of its Wells B-1 Well No⁵ at an
unorthodox Devonian location
1650 feet from the North line and
660 feet from the East line of
Section 1 Township 25 South
Range 36 East to produce gas
from the ~~Elsburger~~ Devonian
and Elsburger formations,
Custer field, then parallel
strings of tubing, the E/2 of
said Section 1 to be dedicated
to the well.

called in by Hugh Ingram
9/24/79

ROUGH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6697

Order No. R- 66163

APPLICATION OF CONOCO INC. FOR AN UNORTHODOX LOCATION
AND A DUAL COMPLETION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on
October 17, 1979, at Santa Fe, New Mexico, before
Examiner BSN.

NOW, on this October day of 1979, the
Division Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, CONOCO INC,
seeks authority to complete its Wells B-1
Well No. 5, to be drilled at an unorthodox location 1650 feet
located in Unit of Section 1, Town-
ship 25 South, Range 36 East, NMPM, Lea

County, New Mexico, as a dual completion (conventional) to
(combination)
(tubingless)

produce gas from the Custer-Devonian Gas Pool and the
Custer-Silencer Gas Pool through parallel strings of 2 3/8-
inch tubing, with separation of the zones to be achieved by
means of a packer set at approximately 12,500 feet

(3) That the foregoing location is a shaded location
for the Custer-Silencer Gas Pool, it is unorthodox with respect
to the Custer-Devonian Gas Pool.

(4) That no offset operator objected to the proposed
unorthodox location

From the North line and 160 feet from the East line

5
(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 protect~~ ~~test the interests of the landowner~~, will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the subject pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Conoco Inc.,
is hereby authorized to ^{drill} ~~complete~~ its Wells B-1
~~at an unorthodox Devonian location 1650 feet from the North line and 660 feet~~
Well No. 5 ^A ~~located in Unit~~ of Section 1,
Township 25 South, Range 36 East, NMPM, Lea
^{and to complete said well}
County, New Mexico, as a dual completion (conventional)
(combination)
(tubingless)
to produce ^{oil} gas from the Custer-Devonian Gas Pool and the Custer-Elkburger Gas Pool through parallel strings of 2 3/8-inch tubing with separation of the zones to be achieved by means of a packer set at approximately 12,500 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 the Custer Elkburger Pool.

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

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

from the East line