

THE APPLICATION OF ATLANTIC REFINING
COMPANY FOR PERMISSION TO EFFECT DUAL
COMPLETION OF ITS ATLANTIC STATE 'E'
NO. 1 WELL, NE/4 SW/4 SECTION 5, TOWNSHIP
21 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER NO. DC-17

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order No. R-316, Rule 112-A, The Atlantic Refining Company made application to the New Mexico Oil Conservation Commission on October 13, 1953, for permission to dually complete its Atlantic State 'E' No. 1 Well, NE/4 SW/4 Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, and

The Secretary - Director Finds:

- (1) That application has been duly filed under the provisions of Sub-section 'c' of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, The Atlantic Refining Company, be and it hereby is authorized to dually complete its Atlantic State 'E' No. 1 Well, NE/4 SW/4 Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Yates-Seven Rivers-Queen formations of the Eumont Gas Pool may be produced through the annular space between the casing and the tubing (approximate interval 2725-3600'), and oil from the Grayburg formation of the Eunice-Monument Oil Pool through the tubing by proper perforations, and the installation of a proper packer.

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

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

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten days after the completion of such test, and

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

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

APPROVED at Santa Fe, New Mexico, on this 26th day of October, 1953.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary - Director

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