

*Entered August 14, 1959
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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. 1420
Order No. R-1191-B

APPLICATION OF CAULKINS OIL
COMPANY AND EL PASO NATURAL GAS
PRODUCTS COMPANY FOR AN ORDER
AMENDING IN CERTAIN PARTICULARS
THE SPECIAL RULES GOVERNING THE
SOUTH BLANCO-TOCITO WATER
INJECTION PROJECT IN RIO ARriba
COUNTY, NEW MEXICO, AS SET FORTH
IN ORDER R-1191, FOR PERMISSION
TO CONVERT TWO WELLS IN SAID
PROJECT TO WATER INJECTION, FOR
PERMISSION TO DUALY COMPLETE A
WELL IN SAID PROJECT AS A
PRODUCING-INJECTION WELL AND
FOR APPROVAL OF AN UNORTHODOX LOCA-
TION FOR SAID WELL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 8, 1959, at Santa Fe, New Mexico, before E. J. Fischer, Examiner duly appointed by the New Mexico Oil Conservation Commission in accordance with Rule 1214 of the Commission Rules and Regulations, and Order No. R-1191-A was entered denying the application in one respect, whereupon this case came on for hearing de novo at 9 o'clock a.m. on July 15, 1959.

NOW, on this 3rd day of August, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced, 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 in the subject hearing de novo, Caulkins Oil Company, is the operator of Well No. T-123 located in the NW/4 NE/4 of Section 7, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

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(3) That the applicant in the subject hearing de novo, Caulkins Oil Company, has requested that only that portion of Order No. R-1191-A dealing with the proposed dual completion of its said Caulkins Well No. T-123 be considered at this hearing.

(4) That the applicant seeks permission to deepen the said Caulkins Well No. T-123 and to dually complete it in such a manner as to permit water injection into the Tocito formation and the production of gas from the Dakota Producing Interval through parallel strings of 2-3/8 inch EUE tubing.

(5) That the maximum expected surface pressure which will be required for water injection into the Tocito formation, plus the hydrostatic head of the water column, is such as to constitute a hazard to the known gas reserves in the Dakota Producing Interval.

(6) That in order to ensure that the Dakota Producing Interval is not damaged, permission to dually complete the aforesaid Caulkins Well No. T-123 in such a manner as to permit the injection of water into the Tocito formation and the production of gas from the Dakota Producing Interval should, under the Commission's obligation to prevent the waste of oil or gas, be denied.

(7) That permission should be granted, at the operator's option, to dually complete the said Caulkins Well No. T-123 in such a manner as to permit the production of oil from the Tocito formation and the production of gas from the Dakota Producing Interval through parallel strings of tubing, or to utilize said well as a water injection well in the Tocito formation without deepening it to produce from the Dakota Producing Interval, or to singly complete the well to produce gas from the Dakota Producing Interval and neither produce from nor inject into the Tocito formation.

(8) That the unorthodox gas well location of the said Caulkins Well No. T-123 should be approved inasmuch as the operator may choose one of the above options to produce the well from the Dakota Producing Interval.

IT IS THEREFORE ORDERED:

(1) That the application of Caulkins Oil Company for permission to deepen its Well No. T-123, located in the NW/4 NE/4 of Section 7, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and to complete said well in such a manner as to permit the injection of water into the Tocito formation and the production of gas from the Dakota Producing Interval through parallel strings of tubing be and the same is hereby denied.

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(2) That the applicant be and the same is hereby authorized to complete the said Caulkins Well No. T-123 in accordance with any one of the following procedures:

(a) Complete the well as a single completion in the Tocito formation, utilizing it as a water injection well in said Tocito formation or as a producing well in said formation.

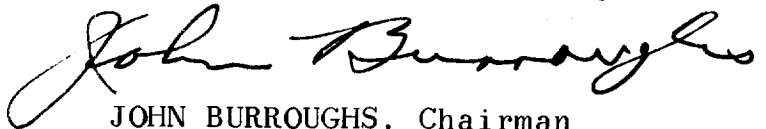
(b) Complete the well as a single completion in the Dakota Producing Interval, utilizing said well for the production of gas from the Dakota Producing Interval.

(c) Complete the well as a dual completion, utilizing said well to produce oil from the Tocito formation and to produce gas from the Dakota Producing Interval.


(3) That an unorthodox gas well location for said Caulkins Well No. T-123 in the Dakota Producing Interval be and the same is hereby approved.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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