BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Entered September - 1960

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2066 Order No. R-1769

APPLICATION OF HUMBLE OIL & REFINING COMPANY FOR A "SLIM-HOLE" OIL-GAS DUAL COMPLETION IN AN UNDESIGNATED ABO POOL AND IN AN UNDESIGNATED PENNSYLVANIAN POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 7, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this <u>16th</u> day of September, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Humble Oil & Refining Company, is the owner and operator of the Kathleen Steckel Well No. 1, located in the NW/4 NE/4 of Section 19, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to dually complete the said Kathleen Steckel Well No. 1 in such a manner as to permit the production of oil from an undesignated Abo pool and the production of gas from an undesignated Pennsylvanian pool through parallel strings of 4-1/2 inch casing and 2-7/8 inch casing, respectively, cemented in a common well bore. Applicant proposes to produce the Abo oil through tubing, 2 inches in diameter or greater, installed within the 4-1/2 inch casing.

(4) That as an alternative to the above-described installation, the applicant proposes to produce Abo oil through 2-7/8 inch casing set at 5500 feet and Pennsylvanian gas through tubing, 2 inches in diameter or greater, installed within 4-1/2 inch casing set at 9500 feet.

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(5) That in order to protect the productive horizons, cement should extend from total depth of 9500 feet to a point 600 feet above the top of the uppermost pay zone.

(6) That centralizers or turbolizers should be installed at 30-foot intervals throughout the Abo and Pennsylvanian formations and to a point 100 feet above said formations.

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

(8) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Humble Oil & Refining Company, be and the same is hereby authorized to dually complete its Kathleen Steckel Well No. 1, located in the NW/4 NE/4 of Section 19, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool through tubing 2 inches in diameter or greater installed within 4-1/2 inch casing and the production of gas from an undesignated Pennsylvanian pool through a parallel string of 2-7/8 inch casing cemented in a common well bore.

PROVIDED HOWEVER, That cement shall extend from total depth of 9500 feet to a point 600 feet above the uppermost pay zone.

<u>PROVIDED FURTHER</u>, That centralizers or turbolizers shall be installed at 30-foot intervals throughout the Abo and Pennsylvanian formations and to a point 100 feet above said formations.

<u>PROVIDED FURTHER</u>, That the applicant shall take communication tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for this particular Abo pool.

<u>PROVIDED FURTHER</u>, That should the applicant desire to produce Abo oil through 2-7/8 inch casing set at 5500 feet and Pennsylvanian gas through tubing 2 inches in diameter or greater installed within 4-1/2 inch casing set at 9500 feet rather than follow the installation approved by this Order, administrative approval by the Secretary-Director of the Commission of such alternate installation may be obtained without notice and hearing where an application has been filed with the Secretary-Director of the Commission, and (1) where proof is made that all offset operators have been notified of the application by registered mail and no objection has been received within 20 days following the mailing of such notice, or (2) where written waivers of objection from all offset operators are filed with the Secretary-Director of the Commission. -3-CASE No. 2066 Order No. R-1769

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 the protection of correlative rights; upon failure of the applicant to comply with any requirement of this Order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Chairman BURROUGHS utunga

MURRAY E. MORGAN, Member

Terter, PORTER, Jr., Member & Secretary

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