

*Entered December 6, 1966  
CJP*

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. 3451  
Order No. R-3160

APPLICATION OF ERNEST A. HANSON  
FOR A DUAL COMPLETION, ACREAGE  
REDEDICATION AND AN ADMINISTRATIVE  
PROCEDURE FOR MULTIPLE COMPLETIONS,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 7, 1966,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of December, 1966, 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, Ernest A. Hanson, seeks authority  
to complete his Max Gutman Well No. 1, located in Unit M of Sec-  
tion 19, Township 22 South, Range 38 East, NMPM, Lea County, New  
Mexico, as a dual completion (conventional) to produce oil from  
the Blinebry Oil Pool and from an undesignated Granite Wash pool  
through parallel strings of 2 1/16-inch tubing, with separation  
of zones by a packer set at approximately 5669 feet.

(3) That the applicant also seeks the rededication of the  
SW/4 SW/4 of Section 19, Township 22 South, Range 38 East, NMPM,  
Lea County, New Mexico, to the said well for the production of  
oil from the Blinebry Oil Pool.

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(4) That the applicant further seeks the establishment of an administrative procedure for the dedication and rededication of acreage from oil to gas, and from gas to oil, and for the dual completion in any combination as to the San Andres, Paddock, Blinebry Oil, Tubb Oil, Drinkard, and Granite Wash formations in the area of the subject pool.

(5) That the said SW/4 SW/4 of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, is presently dedicated as a part of a 160-acre standard proration unit in the Blinebry Gas Pool, to the Gulf Oil Corporation Max Gutman Well No. 1, located in Unit N of said Section 19.

(6) That by Order No. R-610, dated April 11, 1955, as amended by Order No. R-610-A, May 27, 1955; Order No. R-610-B, June 13, 1955; Order No. R-610-C, January 9, 1956; and Order No. R-610-D, February 26, 1957, special rules and regulations were adopted for the Blinebry Oil Pool and the Blinebry Gas Pool, Lea County, New Mexico.

(7) That Rules 2 and 3 of said order define oil wells and gas wells in the Blinebry Oil Pool and the Blinebry Gas Pool, respectively.

(8) That Order No. R-1670, dated May 20, 1960, superseded Orders Nos. R-610, R-610-A, R-610-B, R-610-C, and R-610-D with respect to the Blinebry Gas Pool, and promulgated Special Rules and Regulations for the Blinebry Gas Pool, Lea County, New Mexico, in addition to the General Rules and Regulations for Southeastern New Mexico adopted by Order No. R-1670, dated May 20, 1960, as amended by Order No. R-2761, dated January 1, 1965.

(9) That Rules 27(A) and 27(B) of said Order No. R-1670 define gas wells and oil wells in the Blinebry Gas Pool and the Blinebry Oil Pool, respectively.

(10) That Rule 5(A) of Order No. R-1670, dated May 20, 1960, established 160 acres as a standard gas proration unit in the Blinebry Gas Pool.

(11) That on October 25, 1956, a 160-acre allowable was assigned to Gulf Oil Corporation's Max Gutman Well No. 1, located in Unit N of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, said well having the SW/4 of said Section 19 dedicated to the well.

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(12) That the applicant has the right to drill and has drilled a well in the SW/4 SW/4 of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(13) That the said well is an oil well and it appears that the SW/4 SW/4 of said Section 19 is productive of oil from the Blinebry Oil Pool.

(14) That waste will result if applicant is not allowed to produce the oil from the Blinebry Oil Pool in said quarter-quarter section.

(15) That in order to protect the correlative rights of the applicant and to prevent waste, the SW/4 SW/4 of said Section 19 should be deleted from the 160-acre standard gas proration unit presently dedicated to the Gulf Oil Corporation Max Gutman Well No. 1 located in Unit N of said Section 19 and should be re-dedicated to the Ernest A. Hanson Max Gutman Well No. 1 located in Unit M of said Section 19 as a standard oil proration unit for the production of oil from the Blinebry Oil Pool.

(16) That a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SW/4 and SE/4 SW/4 of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, should be established and dedicated to the Gulf Oil Corporation Max Gutman Well No. 1, located in Unit N of said Section 19.

(17) That the mechanics of the proposed dual completion of the applicant's Max Gutman Well No. 1 are feasible and in accord with good conservation practices.

(18) That approval of the said dual completion will prevent waste and protect correlative rights.

(19) That the evidence fails to establish the necessity for the establishment of an administrative procedure for approval of the dual completion in any combination as to the San Andres, Paddock, Blinebry Oil, Tubb Oil, Drinkard, and Granite Wash formations; therefore, the applicant's request for such administrative procedure should be denied.

(20) That inasmuch as administrative procedures already exist for the dedication and rededication, by the operator, of acreage from oil to gas, and from gas to oil, in the Blinebry Gas Pool and the Blinebry Oil Pool and the evidence fails to establish the

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necessity for any additional administrative procedure, applicant's request for said administrative procedure should be denied.

IT IS THEREFORE ORDERED:

(1) That the SW/4 SW/4 of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby deleted from the 160-acre standard gas proration unit dedicated to the Gulf Oil Corporation Max Gutman Well No. 1, located in Unit N of said Section 19.

(2) That a 120-acre non-standard proration unit in the Blinebry Gas Pool comprising the N/2 SW/4 and SE/4 SW/4 of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Gulf Oil Corporation Max Gutman Well No. 1, located in Unit N of said Section 19.

(3) That the applicant, Ernest A. Hanson, is hereby authorized to complete his Max Gutman Well No. 1, located in Unit M of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Blinebry Oil Pool and from an undesignated Granite Wash pool through parallel strings of 2 1/16-inch tubing, with separation of zones by a packer set at approximately 5669 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 Gas-Oil Ratio Test Period for the Granite Wash zone of the dual completion.

(4) That the application of Ernest A. Hanson for the establishment of an administrative procedure for approval of the dual completion in any combination as to the San Andres, Paddock, Blinebry Oil, Tubb Oil, Drinkard, and Granite Wash formations is hereby denied.

(5) That the application of Ernest A. Hanson for the establishment of an administrative procedure for dedication and

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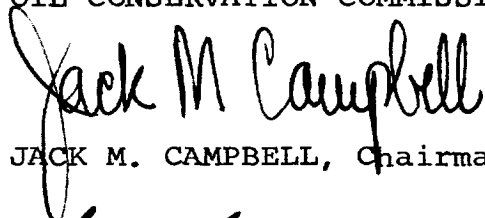
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rededication of acreage from oil to gas, and from gas to oil is hereby denied.

(6) 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



JACK M. CAMPBELL, Chairman



GUYTON B. HAYS, Member



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

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