

Entered December 28 1966
W. J. R.

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. 3502
Order No. R-3169

APPLICATION OF YATES PETROLEUM CORPORATION
FOR SPECIAL POOL RULES, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 16, 1966, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of December, 1966, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Yates Petroleum Corporation, seeks the promulgation of special pool rules for the drilling, casing, cementing, and plugging of all wells drilled to and completed in the Eagle Creek-San Andres and the Penasco Draw San Andres-Yeso Pools, located within the horizontal limits of the Roswell Artesian (underground water) Basin, Eddy County, New Mexico.

(3) That in order to prevent crude petroleum oil, natural gas, or water from escaping from strata in which they are found into another stratum or strata, special pool rules for the drilling, casing, cementing, and plugging of all wells drilled to and completed in the Eagle Creek-San Andres and the Penasco Draw San Andres-Yeso Pools should be promulgated.

(4) That special precautions should be taken in the drilling, casing, cementing, and plugging of all wells in the subject pools

-2-

CASE No. 3502

Order No. R-3169

to guard against any loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water, oil, or gas.

(5) That the special pool rules as proposed by the applicant do not adequately prescribe such special precautions.

(6) That to adequately guard against any loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water, oil, or gas, special rules and regulations should be promulgated for the Eagle Creek-San Andres and Penasco Draw San Andres-Yeso Pools, Eddy County, New Mexico.

(7) That the special rules and regulations should provide that each well shall have a water protection casing string set at least 100 feet below the base of the artesian underground water zone.

(8) That sufficient cement should be used on said water protection casing string to fill the annular space behind the casing to the top of the hole.

(9) That wells completed in the subject pools should have an oil production casing string, in addition to the water protection casing string.

(10) That if after recovering load water any well should make 20 barrels of water per day, or more, the operator should immediately notify the Artesia District Office of the Commission, in writing, of such fact and furnish such office with an analysis of the water being produced by the well.

(11) That if a well is shut in or temporarily abandoned for a continuous period of 60 days, the operator should set a plug in the casing at such depth as may be necessary to isolate the producing zones in the well.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Eagle Creek-San Andres Pool and the Penasco Draw San Andres-Yeso Pool are hereby promulgated as follows:

-3-

CASE No. 3502

Order No. R-3169

SPECIAL RULES AND REGULATIONS
FOR THE
EAGLE CREEK-SAN ANDRES AND
PENASCO DRAW SAN ANDRES-YESO POOLS

RULE 1. Each well drilled to and completed within the Eagle Creek-San Andres and Penasco Draw San Andres-Yeso Pools or in the San Andres or Yeso formations within one mile thereof and not nearer to or within the limits of another designated San Andres or Yeso oil pool, shall be spaced, drilled, operated, and produced in accordance with the general rules and regulations of the New Mexico Oil Conservation Commission unless such general rules and regulations shall be in conflict with the special rules and regulations hereinafter set forth, in which event the special rules and regulations shall control the spacing, drilling, operating, and producing of said wells.

RULE 2. Each well shall have a water protection casing string set at least 100 feet below the base of the artesian underground water zone.

RULE 3. Sufficient cement shall be used on the water protection casing string to fill the annular space behind the casing to the top of the hole, provided, however, that authorized field personnel of the Commission may, at their discretion, allow exception to the foregoing requirement when conditions in a given area render compliance impracticable.

RULE 4. A well completed in the San Andres formation only shall have an oil production casing string, in addition to the water protection casing string, and said oil production casing string shall be set at least 100 feet below the water protection casing string shoe and shall be cemented back at least 50 feet into the water protection casing string.

RULE 5. A well completed in both the San Andres and Yeso formations or in the Yeso formation only shall have an oil production casing string, in addition to the water protection casing string, and said oil production casing string shall be set in the Yeso formation and cemented back at least 50 feet into the water protection casing string.

RULE 6. The casing shall be tested in accordance with the testing provisions of Rule 107 of the Rules and Regulations of the Commission.

-4-

CASE No. 3502

Order No. R-3169

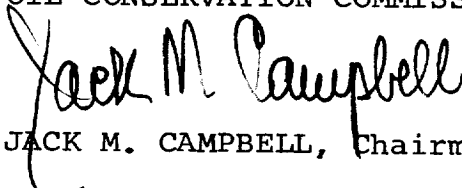
RULE 7. If after recovering load water any well shall make 20 barrels of water per day, or more, the operator shall immediately notify the Artesia District Office of the Commission, in writing, of such fact and furnish such office with an analysis of the water being produced by the well. Thereafter the operator shall take such remedial steps as may be directed by the authorized field personnel of the Commission.

RULE 8. If a well is shut in or temporarily abandoned for a continuous period of 60 days, the operator shall set a plug in the casing at such depth as may be necessary to isolate the producing zones in the well unless authorized field personnel of the Commission shall, in writing, extend the time for setting the plug.


(2) 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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