

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. 568
Order No. R-362

THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION
FOR APPROVAL OF DUAL COMPLETION
OF ITS STATE WE 'A' NO. 1 WELL, SE/4
NW/4 SECTION 12, TOWNSHIP 21 SOUTH,
RANGE 35 EAST, NMPM, IN SUCH MANNER
AS TO PERMIT PRODUCTION OF OIL FROM
THE QUEEN FORMATION OF THE EUNICE -
MONUMENT OIL POOL AND GAS FROM THE
SEVEN RIVERS FORMATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 20, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17th day of September 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That applicant's State WE 'A' Well No. 1, SE/4 NW/4 Section 12, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, in the Eunice-Monument Pool, was completed June 21, 1953, as an oil well in the Queen formation, bottomed at 4026 feet and produced through casing perforations at intervals between 3726-3890 feet, the well having been drilled through the Seven Rivers gas zone at an approximate depth of 3440 -3596.

(3) That although field experience tends to prove that mechanical packers and other devices are ordinarily available for successful dual completions of oil - gas wells, the Commission is not convinced of the soundness of such dual completions as a waste-prevention measure as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Amerada Petroleum Corporation, be, and it hereby is authorized to dually complete and produce its State WE 'A' No. 1 well, SE/4 NW/4 Section 12, Township 21 South, Range 35 East, NMPM, in the Eunice-Monument Pool, Lea County, New Mexico, in such a manner that gas from the Seven Rivers zone may be produced through the annular space between the casing and the tubing, and oil from the Queen formation 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, and

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 upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104 and Form C-110 outlining the information required on these forms by existing Rules and Regulations.

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 (10) days after 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary

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