

Entered September 26, 1973
R.F.P.

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. 5058
Order No. R-4636

APPLICATION OF CORINNE GRACE FOR
A DUAL COMPLETION AND UNORTHODOX
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 5, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 26th day of September, 1973, 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, Corinne Grace, seeks approval for the recompletion of her Gradonoco Well No. 1 located in Unit H of Section 2, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico, as a dually completed gas well, in such a manner as to produce gas from an undesignated Wolfcamp Gas Pool and from the South Carlsbad-Morrow Gas Pool through tubing and the tubing-casing annulus, respectively, by means of a cross-over assembly.

(3) Applicant further seeks approval of the unorthodox location of said well in the Wolfcamp formation at a point 2500 feet from the North line and 330 feet from the East line of said Section 2, which location had previously been approved as an unorthodox location for the Morrow formation.

(4) That a rateable take factor was applied to the well's production from the Morrow formation by Commission Order No. R-4034.

(5) That the NE/4 of Section 2 is to be dedicated to the Wolfcamp portion of the well.

(6) That the dual completion is feasible and should result in the recovery of otherwise unrecoverable gas, thereby preventing waste.

(7) That one offset operator has objected to the proposed recompletion at the unorthodox location, and that said operator has stipulated that it has no objection if a rateable take factor is applied to the production from the Wolfcamp formation.

(8) That approval of the subject application will afford the applicant the opportunity to produce her just and equitable share of gas in the subject spacing unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights provided that a rateable take factor is applied to the production from the Wolfcamp formation.

(9) That a rateable take factor of 76 percent will afford the applicant the opportunity to produce her just and equitable share of gas in place and will afford protection to the correlative rights of the lease owners directly east of the NE/4 of said Section 2.

IT IS THEREFORE ORDERED:

(1) That the applicant, Corinne Grace, is hereby authorized to recomplete her Gradonoco Well No. 1, located in Unit H of Section 2, Township 23 South, Range 26 East, NMPM, as a dually completed gas well to produce gas from an undesignated Wolfcamp Gas Pool and the South Carlsbad-Morrow Gas Pool.

(2) That production from the Morrow shall be through 2 3/8-EUE tubing set in a packer located above the Morrow perforations and thence, by means of a cross-over assembly, through the casing-tubing annulus to the surface. Production from the Wolfcamp formations shall be through the casing-tubing annulus and thence, by means of a cross-over assembly through the 2 3/8 EUE tubing to the surface. The cross-over assembly shall be set in a packer located above the Wolfcamp perforations.

(3) That an unorthodox gas well location for the Wolfcamp formation is hereby approved for said well which is located 2500 feet from the North line and 330 feet from the East line of Section 2, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

(4) That for the Wolfcamp formation, the NE/4 of said Section 2 shall be dedicated to the above-described well.

(5) PROVIDED HOWEVER, that as to production from the Wolfcamp formation, said well is assigned a rateable take factor of 76 percent.

-3-

Case No. 5058

Order No. R-4636

(6) PROVIDED FURTHER, that in the event the Wolfcamp Pool is prorated, the subject well as to such pool shall be assigned an acreage factor for proration purposes of 76 percent.

(7) PROVIDED FURTHER, that the applicant shall recomplete, 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.

(8) PROVIDED FURTHER, that applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the South Carlsbad-Morrow Gas Pool.

(9) That the provisions of this order in no way revoke or modify the provisions of Commission Order No. R-4034, entered October 2, 1970.


(10) 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


I. R. TRUJILLO, Chairman


ALEX J. ARMILJO, Member


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

S E A L

dr/