

Richard L. Stamets

R.L.S.

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. 5386
Order No. R-4955

APPLICATION OF YATES PETROLEUM
CORPORATION FOR FOUR DUAL
COMPLETIONS 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 January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of January, 1975, 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 seeks approval for four conventional dual completions in Eddy County, New Mexico, as follows:

The Federal "CR" Com Well No. 1 in Unit M of Section 29, Township 17 South, Range 25 East, NMPM, with gas production from the Upper Pennsylvanian formation through the casing-tubing annulus and gas production from the Atoka formation through 2 3/8-inch tubing with a packer set at approximately 7870 feet;

the State "CY" Well No. 1 in Unit K of Section 32, Township 17 South, Range 25 East, NMPM, with gas production from the Upper Pennsylvanian formation through 2 3/8-inch tubing and gas production from the commingled Strawn and Atoka formations through 2 3/8-inch tubing, a crossover assembly, and the casing-tubing annulus with packers set at approximately 6350 feet and 7723 feet;

the Powell "DG" Com Well No. 1 in Unit O of Section 35, Township 17 South, Range 25 East, NMPM, with gas production from the Upper Pennsylvanian formation through 2 3/8-inch tubing and gas production from the Morrow formation through 2 3/8-inch tubing, a crossover assembly, and the casing-tubing annulus with packers set at approximately 6500 feet and 8324 feet; and

the Federal "CZ" Well No. 1 in Unit B of Section 8, Township 18 South, Range 25 East, NMPM, with gas production from the Upper Pennsylvanian formation through 2 3/8-inch tubing and gas production from the Morrow formation through 2 3/8-inch tubing, a crossover assembly, and through the casing-tubing annulus with packers set at approximately 6500 feet and 8245 feet.

(3) That the mechanics of the proposed dual completions appear to be feasible and in accord with good conservation practices.

(4) That additional production information should be obtained on each of said four dual completions to determine that efficient flow is taking place from all zones in said wells.

(5) That if such production information demonstrates inefficient flow from any of the zones, the Secretary-Director of the Commission should rescind the authority for the dual completion of the well.

(6) That the subject application for four dual completions should be approved.

(7) That the applicant further seeks an unorthodox gas well location for its Federal "CR" Com Well No. 1 at a point 660 feet from the South line and 660 feet from the West line of Section 29, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico.

(8) That no offset operator objected to the proposed unorthodox location.

(9) That the application for an unorthodox location should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized four conventional dual completions, Eddy County, New Mexico, as follows:

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The Federal "CR" Com Well No. 1 in Unit M of Section 29, Township 17 South, Range 25 East, NMPM, to produce gas from the Upper Pennsylvanian formation through the casing-tubing annulus and gas from the Atoka formation through 2 3/8-inch tubing with separation of the zones by a packer set at approximately 7870 feet;

the State "CY" Well No. 1 in Unit K of Section 32, Township 17 South, Range 25 East, NMPM, to produce gas from the Upper Pennsylvanian formation through 2 3/8-inch tubing and commingled gas from the Strawn and Atoka formations through 2 3/8-inch tubing and the casing-tubing annulus by means of a crossover assembly at approximately 6350 feet with separation of the zones by means of packers set at approximately 6350 feet and 7723 feet;

the Powell "DG" Com Well No. 1 in Unit O of Section 35, Township 17 South, Range 25 East, NMPM, to produce gas from the Upper Pennsylvanian formation through 2 3/8-inch tubing and gas from the Morrow formation through 2 3/8-inch tubing and the casing-tubing annulus by means of a crossover assembly at approximately 6500 feet with separation of the zones by means of packers set at approximately 6500 feet and 8324 feet; and

the Federal "CZ" Well No. 1 in Unit B of Section 8, Township 18 South, Range 25 East, NMPM, to produce gas from the Upper Pennsylvanian formation through 2 3/8-inch tubing and gas from the Morrow formation through 2 3/8-inch tubing, and through the casing-tubing annulus by means of a crossover assembly at approximately 6500 feet with separation of the zones by means of packers set at approximately 6500 feet and 8245 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce each of said wells 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 on each well upon completion and annually thereafter during the Shut-In Pressure Test Period for gas wells in Southeast New Mexico.

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(2) That the applicant shall take and file test data including, at least, monthly rates of production of gas and liquids, periodic flowing wellhead pressures and shut-in pressures for the first 3 months of production, after the date of this order, from any zone of a dual completion herein approved.

(3) The applicant shall file such test data with both the Artesia district and Santa Fe offices of the Commission.

(4) The Secretary-Director of the Commission may rescind the authority for the dual completion of any well herein approved if a review of the test data required by Order (2) above demonstrates inefficient flow from either or both zones from any of said wells.

IT IS FURTHER ORDERED:

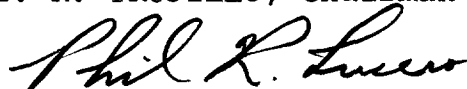
(1) That the unorthodox gas well location of applicant's Federal "CR" Com Well No. 1 located 660 feet from the South line and 660 feet from the West line of Section 29, Township 17 South, Range 25 East, NMPM, is hereby approved.

(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

I. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



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

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