

Entered July 20, 1978
JLR

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. 6148
Order No. R-5661

APPLICATION OF COQUINA OIL CORPORATION
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1978, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 20th day of July, 1978, 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, Coquina Oil Corporation, seeks authority to complete its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Drinkard and Granite Wash formations thru the casing-tubing annulus and the tubing, respectively.

(3) That the Commission has heretofore determined that the production of oil through the casing-tubing annulus is inefficient, requires an excessive amount of reservoir energy, and causes waste.

(4) That the Commission has a long-established policy of prohibiting the annular flow of oil in the absence of evidence disproving those determinations cited in Finding No. (3) above.

(5) That the applicant in this case offered no evidence to disprove said determinations.

(6) That the application of Coquina Oil Corporation in the instant case, if approved, would result in inefficient flow causing the excessive dissipation of reservoir energy, thereby causing waste.

(7) That the application should be denied.

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(8) That there is a possibility that the subject well after being placed on production will have a sufficiently high gas-oil ratio that it will be classified as a gas well in the Drinkard formation.

(9) That should said well be classified as a gas well in the Drinkard formation, the annular flow would not be inefficient inasmuch as there would be more gas available to lift a given amount of fluid in the annulus.

(10) That the applicant should be permitted to test said well to determine if it is an oil well or a gas well in the Drinkard formation.

(11) That any such test and determination of gas-oil ratio should be through the tubing, with the tubing below the packer plugged and the sliding sleeve above the packer open.

(12) That said test should be the final 24 hours of a 72-hour flow at a constant rate, and should be witnessed by a representative of the Commission.

(13) That upon determination by the Supervisor of the Hobbs District Office of the Commission that said well is indeed a gas well in the Drinkard formation rather than an oil well, a supplemental order to this order should be entered, approving the dual completion of the well.

(14) That the subject well should not be produced through the casing-tubing annulus until such time as it has been determined that it is a gas well in the Drinkard formation.

IT IS THEREFORE ORDERED:

(1) That the application of Coquina Oil Corporation for approval of the dual completion of its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to produce the Granite-Wash formation through tubing and the Drinkard formation through the casing-tubing annulus is hereby denied.

(2) That the applicant is hereby authorized to test said well to determine the gas-oil ratio, and to ascertain whether said well should be classified as a gas well rather than an oil well in the Drinkard formation, provided that the test of said well shall be conducted in the following manner:

- A. The tubing below the packer shall be plugged to isolate the Granite Wash producing interval.
- B. The sliding sleeve in the tubing string above the packer shall be open.

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- C. The well shall be produced at a constant rate for 72 hours, and the gas-oil ratio shall be based on gas and oil produced during the final 24 hours of said 72-hour flow.
- D. The applicant shall notify the Hobbs District Office of the Commission of the date and hour the well is to be prepared for the test, and the date and hour the 72-hour flow is to be commenced.

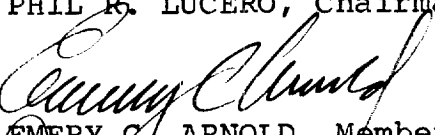
(3) That should the aforesaid gas-oil ratio test result in reclassification of the subject well in the Drinkard formation, as a gas well, the Secretary-Director of the Commission shall enter a supplemental order approving the dual completion (conventional) of said well to produce gas from the Drinkard formation and oil from the Granite Wash formation through the casing-tubing annulus and through tubing, respectively.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

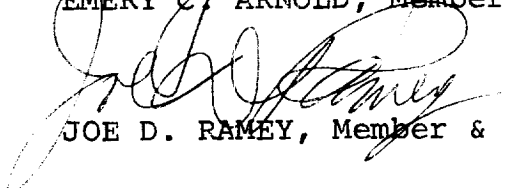
DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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