

Entered November 29, 1978
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6342
Order No. R-5858

APPLICATION OF SUPRON ENERGY
CORPORATION FOR A DUAL COMPLETION
AND DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 8, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of November, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Supron Energy Corporation, seeks approval for the dual completion of its Jicarilla "J" Well No. 10 located in Unit I of Section 26, Township 26 North, Range 5 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through tubing and to produce commingled Tocito and Dakota production through a separate string of tubing with separation of the Pictured Cliffs zone and the commingled zones to be achieved by means of a packer.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

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(5) That the reservoir characteristics of the Tocito and Dakota formations in the subject well are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(6) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(7) That in order to allocate the commingled production to each of the commingled zones in the subject well, applicant should conduct productivity and pressure tests during completion operations, and should consult with the supervisor of the Division's Aztec office to arrive at an allocation formula.

(8) That approval of the subject application will prevent waste and protect correlative rights.

(9) That Division Order No. MC-1795, which authorized the dual completion of the subject well, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Supron Energy Corporation, is hereby authorized to dually complete its Jicarilla "J" Well No. 10 located in Unit I of Section 26, Township 26 North, Range 5 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through tubing and to produce commingled Tocito and Dakota production through a separate string of tubing with separation of the Pictured Cliffs zone from the commingled zones to be achieved by means of a packer.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the prorated gas wells in Northwest, New Mexico.

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(2) That the applicant, during completion operations on the subject well, shall conduct productivity and pressure tests on said well, and shall consult with the supervisor of the Division's Aztec office to determine a formula for allocation of production to each of the commingled zones.

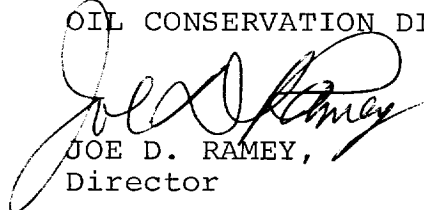
(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That Division Order No. MC-1795 is hereby superseded.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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