

Entered April 30, 1980
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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. 6662
Order No. R-6326

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 October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of April, 1980, 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 authority to complete its Jicarilla "A" Well No. 22Y, located in Unit K of Section 24, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.
- (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices insofar as the Blanco Mesaverde and one or the other of the other two zones are concerned.
- (4) That the shut-in surface pressure of the Dakota formation in the subject well is 1725 psi.

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(5) That although the shut-in surface pressure of the Gallup formation in the subject well is unknown, the shut-in surface pressure of the Gallup formation in eight nearby wells ranges from 323 psi to 448 psi, and averages 572 psi.

(6) That there is no reason to believe that the pressure in the Gallup formation in the subject well is substantially different than in the nearby wells and, in fact, applicant stated that the Gallup pressure in the subject well "...would be 350 psi, plus or minus 25 psi."

(7) That assuming a Gallup pressure of 350 psi and a Dakota pressure of 1725 psi, without regard to any pressure build-up due to gas gradient, the Dakota pressure would be some 4.9 times the Gallup pressure.

(8) That such a pressure differential is not conducive to the prevention of cross-flow between zones, particularly during intervals when the well may be shut in, and could result in waste.

(9) That the application to commingle the Gallup and Dakota formations in the well bore of the subject well should be denied.

(10) That the applicant should be permitted to dually complete the subject well to produce gas from the Blanco Mesaverde Pool through one string of tubing and to produce gas from either the Gallup formation or the Dakota formation through another parallel string of tubing, but only after taking such action as may be necessary to isolate the Gallup and Dakota formations from each other.

IT IS THEREFORE ORDERED:

(1) That the application of Supron Energy Corporation for authority to complete its Jicarilla "A" Well No. 22Y, located in Unit K of Section 24, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string is hereby denied.

PROVIDED HOWEVER, that the applicant is hereby authorized to seek approval, pursuant to the provisions of Rule 112-A of the Division Rules and Regulations, of the dual completion of

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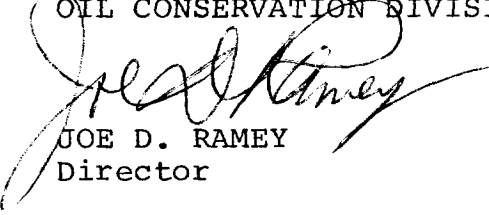
the aforesaid well to produce gas from the Blanco Mesaverde Pool and from the Wildhorse Gallup or the Basin-Dakota Pools through parallel strings of tubing.

PROVIDED FURTHER, that prior to such approval, applicant shall furnish evidence to the Division Director that the Wildhorse Gallup and the Basin-Dakota reservoirs in the subject well have been adequately isolated from each other to prevent communication between the two reservoirs.

(2) 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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