

Entered August 4, 1980
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. 6948
Order No. R-6419

APPLICATION OF MARALO, INC. FOR
DUAL COMPLETIONS AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 25, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 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, Maralo, Inc., seeks approval for the dual completion (conventional) and simultaneous dedication of four wells in its Jalmat Yates Unit, Jalmat Pool, Lea County, New Mexico, as follows: to inject water into its Jalmat Yates Waterflood Project and to produce oil from the Seven Rivers formation from Unit Wells Nos. 19 and 20 located in Units C and D, and to inject water into said waterflood project and produce gas from the Seven Rivers from Unit Wells Nos. 25 and 31 located in Units F and K, all in Section 18, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(4) That pending actual completion of Wells Nos. 25 and 31 in the Seven Rivers formation as oil wells or gas wells and dedication of acreage, the application for simultaneous dedication of said wells is premature and should be dismissed.

-2-

Case No. 6948
Order No. R-6419

(5) That approval of the subject application for dual completions will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Maralo, Inc., is hereby authorized to complete four wells in its Jalmat Yates Unit as dual completions (conventional) to inject water in the Yates formation and to produce oil from the Seven Rivers formation from Unit Wells Nos. 19 and 20 located in Units C and D and to produce gas from the Seven Rivers from Unit Wells Nos. 25 and 31 located in Units F and K, all in Section 18, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That each of said wells shall be equipped with parallel strings of tubing with packers set between the Yates and Seven Rivers formations and within 100 feet of the top of the Yates formation and that the Yates zone tubing shall be plastic coated internally.

(3) That the applicant shall complete, operate, and produce said wells 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.

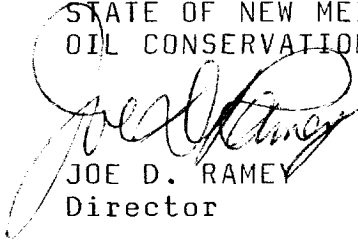
(4) That the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeastern New Mexico.

(5) That that part of this application seeking simultaneous dedication for Unit Wells Nos. 25 and 31 is hereby dismissed.

(6) 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

S E A L
fd/