

Entered November 6, 1980
JMR

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. 7068
Order No. R-6515

APPLICATION OF CONOCO INC. FOR A
DUAL COMPLETION AND AN UNORTHODOX
WELL LOCATION, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of November, 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, Conoco Inc., seeks authority to complete its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the South Dagger Draw-Upper Pennsylvanian Associated Pool and gas from an undesignated Morrow pool through parallel strings of tubing with separation of the zones to be achieved by means of a packer set at approximately 8900 feet.
- (3) That the aforesaid unorthodox location is necessitated by rough terrain and archeological considerations at a standard location.
- (4) That no offset operator objected to the non-standard location.

-2-
Case No. 7068
Order No. R-6515

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Conoco Inc., is hereby authorized to complete its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the South Dagger Draw-Upper Pennsylvanian Associated Pool and gas from an undesignated Morrow pool.

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 Gas Well Shut-In Pressure Test Period for the Morrow gas zone.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/