

Entered September 30, 1981
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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. 7331
Order No. R-6775

APPLICATION OF BASS ENTERPRISES
PRODUCTION COMPANY FOR AN UNORTHODOX
LOCATION AND POSSIBLE DUAL COMPLETION
OR DOWNHOLE COMMINGLING, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 26, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of September, 1981, 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, Bass Enterprises Production Company,
seeks approval of an unorthodox location for its Bass State Well No. 2,
554 feet from the South line and 554 feet from the East line of Section
16, Township 7 South, Range 35 East, NMPM, to test the upper and lower
zones of the San Andres formation, said well being plugged back from
the Wolfcamp formation and completed in the Todd Upper and/or Todd
Lower San Andres Pools, Roosevelt County, New Mexico.

(3) Applicant further seeks authority to dually complete said
well in both of said pools or, if of similar nature, i.e., gas-gas
or oil-oil, to commingle the production from said pools in the wellbore.

(4) That the E/2 SE/4 of said Section 16 would be dedicated to
an oil completion and the E/2 of the section to a gas completion.

(5) That said well was originally drilled at a standard
location for the Wolfcamp formation.

(6) That no offset operator objected to the proposed unorthodox
location.

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

(8) That the Division Director should be authorized to administratively approve the down-hole commingling in the wellbore of production from the upper and lower San Andres zones upon application and a proper showing.

(9) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil and/or gas in the subject pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox location is hereby approved for the Bass Enterprises Production Company (operator for Perry R. Bass) Bass State Well No. 2 located at a point 554 feet from the South line and 554 feet from the East line of Section 16, Township 16 South, Range 35 East, NMPM, Todd-Upper San Andres Gas Pool and Todd-Lower San Andres Associated Pool, Roosevelt County, New Mexico.

(2) That the E/2 SE/4 of said Section 16 shall be dedicated to an oil completion and the E/2 of the section to a gas completion.

(3) That the applicant, Bass Enterprises Production Company, is hereby authorized to complete said Bass State Well No. 2 as a dual completion (conventional) to produce the upper San Andres gas zone through the casing tubing annulus and the lower San Andres zone through tubing with separation of the zones to be achieved by means of a packer set at approximately 4216 feet.

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 last Gas-Liquid ratio test period for wells in the Todd-Lower San Andres Associated Pool.

(4) That the Division Director is hereby authorized to administratively approve the down-hole commingling in the wellbore of production from the upper and lower San Andres zones upon application and a proper showing:

(a) that both zones are classified as oil zones or gas zones;

(b) that pressures of the two zones are compatible;

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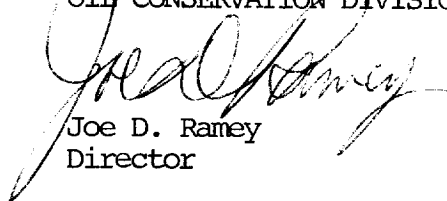
(c) of evidence establishing the ratio of production to be assigned each zone; and,

(d) that the combined value of the production shall not be diminished by the proposed commingling.

(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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