

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. 8944
ORDER No. R-8322

APPLICATION OF TENNECO OIL COMPANY
FOR RETROACTIVE ALLOWABLE, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 23, 1986 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 16th day of October, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Tenneco Oil Company, seeks a determination that the work performed in September, 1985 on its Fields "LS" Well No. 2A located 1500 feet from the South line and 850 feet from the East line (Unit I) of Section 25, Township 32 North, Range 11 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, be designated as a "workover" pursuant to the Division Rules and Regulations regarding gas proration in Northwest New Mexico, and that an increase in the allowable assigned to the subject well be made effective as of November 1, 1985.

(3) Said well experienced an increase in production after September, 1985 when the 2 3/8-inch tubing was pulled and the 2 1/16-inch wellhead was replaced with a 4 1/16-inch production string, resulting in a tubingless completion authorized by the Aztec District Office of the Division.

(4) Prior to applying for a deliverability retest pursuant to the Rules and Regulations for the prorated gas pools in Northwest New Mexico (as promulgated by Division Order

No. R-8170) said well was assigned a deliverability of 1167 MCF per day.

(5) The supervisor of the Aztec District Office of the Division did not consider the work performance on this well as described in Finding Paragraph No. (4), above, as a "workover" and therefore denied applicant's request for retroactive allowable following a retest after workover.

(6) Since 1983 it has been the policy of the Division's District Office in Aztec to accept as "workover" only downhole work on a well that changes the permeability (k) and/or the production interval (h) in the well.

(7) Since the term "workover" has never been defined in writing by the NMOCD, a standard industry definition of "workover" should be used.

(8) Such a definition is found in Williams, H. R. & Meyers, C. M.: Manual of Oil and Gas Terms, Fourth Edition, Mathew Bender, New York (1976) which reads as follows:

"Operations on a producing well to restore or increase production. A typical workover is cleaning out a well that has sanded up. Tubing is pulled, the casing and bottom of the hole washed out with mud, and (in some cases) explosive set off in the hole to dislodge the silt and sand" - workover;

"Work performed on a well after its completion, in an effort to secure production where there has been none, restore production that has ceased or increase production. Cleaning out a hole that has silted up is a typical reworking operation." - Reworking Operations.

(9) While the work done was not a "workover" it did strongly indicate the current deliverability test was manifestly understated and the retest filed after the modification should be made retroactive to the latter of the date of reconnection or 90 days prior to the date of receipt of the retest in the Division's Aztec district office.

IT IS THEREFORE ORDERED THAT:

(1) The work performed in September, 1985 on the Tenneco Oil Company Fields "LS" Well No. 2A, located 1500 feet from the South line and 850 feet from the East line (Unit I) of Section 25, Township 32 North, Range 11 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, is not considered "workover"

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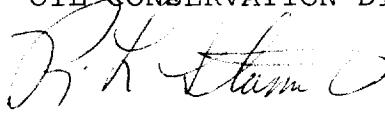
pursuant to the Division Proration Rules and Regulations regarding deliverability retest.

(2) The allowable of said well shall be recalculated in accordance with the retest filed after the removal of the 2 3/8-inch tubing and shall be effective the latter of the date of reconnection or 90 days prior to the date of receipt of the retest in the Division's Aztec District Office.

(3) 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

A handwritten signature in dark ink, appearing to read 'R. L. Stamets', is written over the printed name.

R. L. STAMETS,
Director

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