

MINUTES OF THE MEETING OF THE
OIL CONSERVATION COMMISSION
HELD IN THE OFFICE OF THE OIL
CONSERVATION COMMISSION ON
WEDNESDAY, December 30th, 1936.

The Commission met in the office of the Oil Conservation Commission at 10:00 o'clock A.M. Wednesday, December 30th, 1936.

Present: Commissioner of Public Lands,
Frank Vesely, Acting Chairman
and Secretary
State Geologist, E. H. Wells

After giving due consideration to the testimony presented at the hearing of the Commission held in Santa Fe October 13th, 1936, the following set of Special Rules and Regulations for the Lea County Field, New Mexico were considered:

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
CIRCULAR NO. 3
SPECIAL RULES AND REGULATIONS
FOR THE LEA COUNTY FIELDS,
NEW MEXICO

(SEAL)

ISSUED BY THE
OIL CONSERVATION COMMISSION
DECEMBER 15, 1936

OIL CONSERVATION COMMISSION
GOVERNOR CLYDE TINGLEY, Chairman
E. H. WELLS, State Geologist
FRANK VESELY, Commissioner of Public Lands, Secretary

NEW MEXICO OIL CONSERVATION
COMMISSION

Case No 4 - ORDER NO. 52.

SPECIAL RULES AND REGULATIONS
FOR THE LEA COUNTY FIELDS,
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For wells producing oil and water the report shall give for each well the barrels of water produced and the percentage of water. The method used in determining water shall be stated. The report shall state the number of days each well produced, and if a well was shut down that shall be stated and the cause of the shut-down given. The method of operating, whether flowing, pumping or gas lift, shall be indicated. The total production of oil from the lease or group of wells reported on a separate form shall be divided into pipe line runs, amount from or to lease storage, local sales, amount unused in developing or operating the lease, and any miscellaneous dispositions. The sum of the dispositions shall balance the total production.

The report shall state whether the wells included discharge the oil into separate tanks or a central tank battery. A separate form shall be required for each group of wells that discharge into a central tank battery, and on such report the total pipe line run shall be distributed among the individual wells in proportion to their production during the month, which production shall be accurately determined.

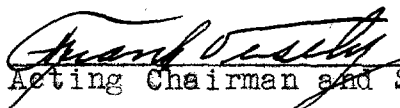
For all wells producing gas, the report shall give for each well the total amount of gas produced in thousands of cubic feet, and the gas-oil ratio or cubic feet of gas per barrel of oil. If gasoline was extracted from the gas, the report shall give the gallons of gasoline recovered and sold, and the estimated gallons of gasoline per thousand cubic feet of gas. The gas delivered to the gasoline plant may be less than the total production. If any gas wells were shut down that shall be stated, and the cause of the shut-down shall be given. The total gas production of the lease or group of wells reported on a single form shall be divided into the amount used on the lease, amount sold, amount blown into the air or burned, and any miscellaneous dispositions. The total amount of gasoline obtained from the gas shall be segregated according to the dispositions made. If reports on gas or gasoline are not available in time for inclusion on Form C-104-A, figures for the last month for which they are available should be given, and the correct month should be indicated.

For wells producing oil and gas, data as outlined above shall be given for both oil and gas.

Reports on Form C-104A shall be subscribed and sworn to by a responsible employee of the company before a Notary Public.

It was moved and seconded that the above ^(Special) general rules and regulations be approved and adopted and that they become effective February 1st, 1937. The motion was unanimously carried.

There being no further business the meeting adjourned.


Acting Chairman and Secretary

If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be recemented and retested, or an additional string of casing shall be run and cemented. If an additional string is used, the same tests shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill," the number of sacks of cement to be used on each string of casing shall be stated.

TUBING

All flowing wells shall be tubed. The tubing shall be set as near bottom as practicable, but in no case shall tubing perforations be more than 250 feet from bottom. The bottom of the tubing shall be restricted to an opening of less than one inch or bull-plugged in order to prevent the loss of pressure bombs or other devices.

SURFACE EQUIPMENT

Meter settings of adequate size to measure efficiently the gas shall be installed on the gas vent line of every flowing well.

Well-head equipment shall be installed and maintained in first-class condition so that static bottom hole pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on both casing and tubing.

SAFETY REQUIREMENTS

Blow-out preventers shall be installed on the intermediate string and oil string of casing prior to drilling plugs, and shall be tested against pump pressure at least once every 24-hour period while drilling is in progress.

All connections subject to well pressure and all well-head fittings shall be of first-class material, rated at 1500 pounds working pressure and maintained in gas-tight condition. Bradenheads rated at 1500 pounds working pressure shall be installed on all intermediate and oil casing strings, and Bradenhead connections maintained in gas-tight condition. There shall be at least one valve on each bradenhead.

While drilling wells in under pressure, an oil circulation pit or tanks shall be maintained at least 60 feet from the well.

Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first-class condition and properly installed.

Burning pits shall not be located closer than 200 feet from any stock tank or battery, or drilling or producing well.

BRADENHEAD GAS

Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches, or otherwise wasted. It may be used for lease and development purposes and for the development of nearby leases, except as prohibited above.

Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

GAS LIFT

Gas lift shall be used in regular production practice only after application to and approval by the Commission.

1. The short string, if used, shall be set in the Rustler formation about the top of the main salt and shall be cemented with 150 per cent of the calculated amount of cement to fill back to the bottom of the cellar.

2. The long string, if used, shall be set at least 100 feet below the base of the salt and cemented with 150 per cent of the calculated amount to fill back to the bottom of the cellar.

The intermediate string may be dispensed with, only by special permission of the Commission, in wells where the "Brown Lime," "Bowers Sand" and "Big Gas" horizons have, by adequate and satisfactory proof, been found to contain neither oil nor gas.

C. Production Casing String.

The production string shall be set and cemented below the top of the "Sandy Dolomite". Where a short intermediate string is used, the production string shall be cemented with 150 per cent of the calculated cement to bring it to the base of the salt. Where a long intermediate casing string is used, the production string shall be cemented with 150 per cent of the calculated amount to fill back to above the top of "Bowers" sand.

Where no intermediate string is used the production string shall be cemented with 150 per cent of the calculated amount required to fill back to bottom of cellar.

CASING AND CEMENTING PROGRAMS FOR LEA COUNTY FIELDS EXCEPT THE HOBBS FIELD

Casing programs for the Lea County Fields, except Hobbs shall consist of: (A) A surface casing string, (B) An intermediate casing string, and (C) a production casing string.

A. Surface Casing String.

The surface casing string shall consist of (1) a string of sufficient length to shut off all potable surface waters, which shall be carried at least 15 feet into the "Red Beds," and which shall be cemented to the surface; or (2) a conductor of one to three joints of casing which shall either be pulled or cemented to the surface.

B. Intermediate Casing String.

Inside of the surface casing string (1) a short intermediate string of casing shall be set in the top of the main salt, or (2) a long intermediate string shall be set through the salt as follows:

1. A short string shall be set in the top of the main salt and below the Rustler formation. At the Eunice and Monument fields this string may be set in the Rustler anhydrite. If the surface casing string has been carried 15 feet into the "Red Beds," this intermediate string shall be cemented with 200 per cent of the calculated amount to bring the cement to the bottom of the surface casing string. If the surface casing string consists only of a conductor of one to three joints, this intermediate string shall be cemented to the surface. If the cement fails to reach the surface, the intermediate string shall be perforated just above the top of the cement and an additional cement job done which shall bring the cement to the surface.

2. A long string of casing shall be run through the salt and at least 25 feet below it. This string shall be cemented with a two-stage cement job. The lower stage shall be cemented with at least that amount of cement which theoretically would bring the cement 200 feet above the casing shoe. The upper stage shall be cemented from the top of the salt and just below the Rustler formation.

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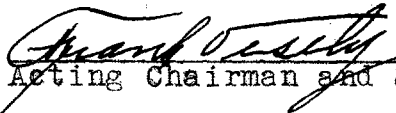
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Sec. 19. The Commission shall notify the operator of the day and hour that a well is to be shut in for bottom hole pressure test. The bottom hole pressure shall be measured not less than 24 hours nor more than 36 hours following said specified time. Notice to the operator shall be given not less than 24 hours before the time for the well to be shut in. The well shall produce its regular allocation during the 24-hour period ending at the time the well is shut in.

Sec. 20. The pressure shall be measured as near as possible to a point in the well 400 feet below sea level.

Sec. 21. This order shall become effective January 1, 1937.

Sec. 22. Allocations to the Hobbs field as a whole shall be determined according to the plan of Order No. 1 of the Commission, "General State Proration Order", adopted June 29, 1935 and Order No. 45, "Revision of Order No. 1 of the Commission 'General State Proration Order'", adopted November 12, 1936. Allocations for the field and the wells therein shall be included in "General State Proration Orders" of the Commission. This order supersedes any provisions of Order No. 1 with which it is in conflict.

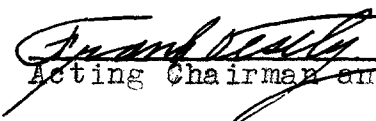
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CLYDE TINGLEY
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