## OIL CONSERVATION COMM 3SION P. O. BOX 871

SANTA FE, NEW MEXICO

July 1, 1958

Lion Oil Company P. O. Box 492 Snyder, Texas

Attention: Mr. E. H. Muhlbach

Gentlemen:

Enclosed herewith is your application for dual completion, wherein you have requested authority to complete your State "J" Well No. 1, located in the NW/4 NW/4 of Section 16, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, to produce oil from the Gallup formation through the easing-tubing annulus and gas from the Dakota formation through the tubing.

We are returning same in accordance with your request during our telephone conversation of June 30, inasmuch as the proposed dual completion is not eligible for administrative approval under the present rules of the Commission, nor will it be eligible under the revised Rule 112-A which, it is expected, will be in effect within approximately two weeks.

As the revision is presently contemplated, we expect that oil over gas dual completions will be eligible for administrative approval only if parallel strings of tubing are used or if a single string of tubing is used, that a cross-over flow assembly be incorporated into the mechanical installation which would permit the oil from the upper zone to be produced through the tubing.

Any dual completion not eligible for administrative approval must, of course, be set for hearing.

In response to your query concerning the past history of authorization of dual completions such as the type you have proposed, I would like to say that to my knowledge, no dual completion has ever been authorized by the Commission where oil would be produced through



## ORL COMMERCENCY ON COMMERCENCY SANGE FROM MEXICO

tina y la la

and a nabbor letter of the control of the control

The seed on a second second of the second se

កស្តីស្រាស់ ប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពលប្រជាពល - មេនិស្សាន ស្រាស់ - អំណាស់ ស្រាស់ ស្ - ស្រាស់ ស

and the control of th

The content of the cont



## OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

Lion Oil Company July 1, 1958 -2-

the casing-tubing annulus, although a considerable number of such cases have been heard and were denied.

Very truly yours,

DANIEL S. MUTTER Chief Engineer

DSN: omg

cc: Mr. Emery Arnold - Oil Conservation Commission - Astec, New Mexico

## OLL CAN LEGIVATION COMMISSION ~. C. BO≾ 871

SAMMA FE, NEW MEXICO

ు ఉండు. మూర్ ఎక్కువ్కు కార్యాలు ముద్దారు. ప్రా**త**్ కార్ మార్లు మండి ఉంది. కార్లు కుండి ఉంది. కార్లు ముద్దారు కుండి ఉంది. కార్లు

y taka ja 🏥 ja

equipot per que la mantina em apresán en minera en la composition de la composition della composition