

NEW MEXICO
OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

October 3, 1957

Mr. Dan Mutter
P. O. Box 871
Santa Fe, New Mexico

Dear Dan:

Your note concerning Colorado Western's application for approval of dual completion on their #1-19 well in Section 19-31N-12W arrived this morning.

I believe that you fell heir to the task of writing DC orders recently when Warren left so I thought it might be well to discuss the matter a bit with you so that we may understand each other better. When Warren was handling DC orders, he wrote me several times after receiving final application for duals on certain wells where the operator had neglected to secure tentative approval from me before drilling the well. I think that he and I finally arrived at the understanding that in such cases the application for final approval with attached information would be conclusive in deciding whether or not a DC order should be written. If the well was drilled according to Rule 112-A and Memo 18-56, which set out our requirements in the Basin, then I would say it is OK for approval regardless of whether tentative approval was granted. If it was not drilled and equipped according to the Rules, then administrative approval could not be granted whether or not they had secured approval of a tentative program.

I would certainly hesitate in requiring an operator to go to hearing for approval of a dual eligible for administrative approval simply because he had neglected to notify me of his intentions. I doubt that such vanity on my part would be conducive to good relations with the industry or accomplish anything constructive. I believe the original idea in requiring an operator to secure tentative approval was to steer him in the right direction so that he would complete and equip according to our requirements.

To get back to the subject at hand, last Friday I talked by telephone to Elvis about the matter of gas-gas duals using cross-over assemblies such as used by Colorado Western in this well being OK'd for administrative approval. The way Memo 18-56 was originally written this type completion was not listed as an acceptable method. However, as it is a memo rather than an order which specified the acceptable methods, I see no reason why

NEW MEXICO
OIL CONSERVATION COMMISSION
SANTEE, NEW MEXICO

October 3, 1957

Mr. Warren
P.O. Box 871
Santa Fe, New Mexico

Dear Sir:

Your note concerning Colorado Western's application for approval of dual completion on their #1-12 well in Section 10-31N-12W arrived this morning.

I believe that you fell heir to the task of writing DC orders recently when Warren left so I thought it might be well to discuss the matter a bit with you so that we may understand each other better. When Warren was handling DC orders, he wrote me several times after receiving final application for duals on certain wells where the operator had requested to secure tentative approval from me before drilling the well. I think that he and I finally arrived at the understanding that in such cases the application for final approval with attached information would be conclusive in deciding whether or not a DC order should be written. If the well was drilled according to Rule 112-A and Memo 18-56, which set out our requirements in the Basin, then I would say it is OK for approval regardless of whether tentative approval was granted. If it was not drilled and equipped according to the Rules, then administrative approval could not be granted whether or not they had secured approval of a tentative program.

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Pete could not approve this type dual administratively if we all mutually agree to it as an acceptable method. We have a couple of other Mesaverde-Dakota duals completed similarly which were approved after hearing.

The reason they use the cross-over assembly is that the Mesaverde is making more liquid than the Dakota and the Dakota has higher rock pressure. Therefore, they figure the Dakota will produce through the annulus where the Mesaverde might log off. Using our present type packer leakage test, I see no reason why communication could not be detected as easily as on any other type completion. The only objection at all that I can think of is the fact the operator could not obtain bottom hole pressure on the Dakota formation if one was desired.

I would therefore like to state that if Pete wants to add this type completion to those acceptable for administrative approval, we would have no objection. I do think that an immediate decision should be forthcoming as Colorado Western is at present contemplating drilling two additional wells in a like manner and if we are to require them to come to hearing, they should be notified. So please let me know when a decision has been reached.

Yours very truly,

E. C. Arnold
Supervisor, District #3

ECA/rc

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Yours very truly,

E. C. Arnold
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