THE APPLICATION OF SOUTHLAND ROYALTY COMPANY FOR A DUAL COMPLETION

ORDER NO. MC-2564

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A, Southland Royalty Company made application to the New Mexico Oil Conservation Division on August 31, 1979, for permission to dually complete its Hedges Well No. 3 located in Unit A of Section 23, Township 31 North, Range 12 West, NMPM, San Juan County. New Mexico, in such a manner as to permit production of gas from the Fruitland formation and from the Pictured Cliffs formation adjacent to the Aztec-Pictured Cliffs Fool.

Now, on this 5th day of September, 1979, the Division Director finds:

- (1) That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;
- (2) That satisfactory information has been provided that there are no other operators of offset acreage;
- (3) That the proposed dual completion will not cause waste mor impair correlative rights.
- (4) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Southland Royalty Company, be and the same is hereby authorized to dually complete its Hedges Well No. 3 located in Unit A of Section 23, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation and from the Pictured Cliffs formation adjacent to the Aztec-Pictured Cliffs Pool through parallel strings of tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby 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 Division Director

SEAL

