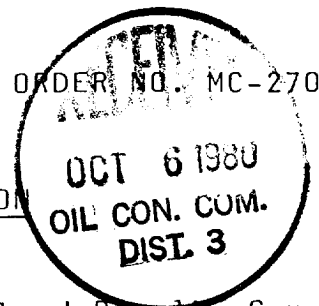


*Corrected*

THE APPLICATION OF SOUTHLAND ROYALTY COMPANY  
FOR A DUAL COMPLETION

ORDER NO. MC-2704

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 25, 1980, for permission to dually complete its East Well No. 7E located in Unit L of Section 14, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Blanco-Pictured Cliffs Pool and from the Basin-Dakota Pool.

Now, on this 3rd day of September, 1980, 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 nor impair correlative rights; and
- (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 East Well No. 7E located in Unit L of Section 14, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Blanco-Pictured Cliffs Pool and from the Basin-Dakota Pool through parallel strings of tubing.

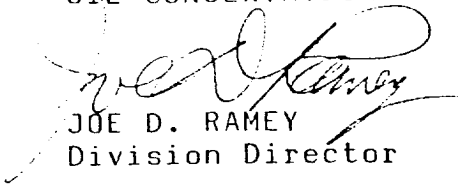
PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

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

S E A L