

Case Number
41769

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE
SANTA FE, NEW MEXICO
Wednesday, July 26, 1972

EXAMINER HEARING

IN THE MATTER OF:

The application of Gulf Oil Corporation
for a dual completion, Lea County, New
Mexico. Applicant, in the above-styled
cause, seeks authority for the dual
completion (conventional) of its J. R.
Holt (NCT-A) Well No. 4 to be located
1980 feet from the South line and 2080
feet from the East line of Section 16,
Township 24 South, Range 37 east, Lea
County, New Mexico, in such a manner as to
produce oil from the Fowler-Upper Yeso and
Fowler-Devonian Pools through parallel
strings of tubing.

) Docket No. 16-72
) Case No. 4769

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87103

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1210 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108P R O C E E D I N G S

MR. HATCH: Case 4769, application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Appearance in this is Mr. William Kastler K-a-s-t-l-e-r.

MR. KASTLER: If the Examiner please, Bill Kastler with Gulf Oil Corporation from Midland. Our witness today is Mr. R. O. Bobo.

MR. R. O. BOBO

having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. WILLIAM KASTLER:

Q Will you please state your name and position, Mr. Bobo?

A I am R. O. Bobo with Gulf Oil. I am the district proration engineer out of Midland, Texas.

Q Have you previously qualified and given testimony before the New Mexico Oil Commission?

A Yes, I have.

Q Are you familiar with Gulf's application in case number 4769?

A Yes, I am.

MR. KASTLER: Are the applicant's qualifications satisfactory?

MR. NUTTER: Yes.

dearnley, meier & mc cormick

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1 Q (By Mr. Kastler) What is Gulf seeking in this applica-
2 tion?

3 A We are seeking approval for a dual completion in a
4 conventional manner for the J. R. Holt (NCT-A) well number
5 four in the Fowler-Devonian and Fowler-Upper Yeso Oil
6 Pools, Lea County, New Mexico. These two pools have not
7 been previously authorized for a dual completion.

8 Q Do you have an exhibit showing the location of this well?

9 A Yes, I do. Exhibit 1 is a plat showing the applicable
10 portion of the J. R. Holt (NCT-A) lease outlined in red
11 and described as the southwest quarter of the northeast
12 quarter of the west half of the southeast quarter and the
13 southeast quarter of the southwest quarter of Section 16,
14 Township 24, Range 37 East. Well number four is colored
15 in red and is located in Unit J 1980 feet from the south
16 line and 2080 feet from the east line of Section 16.

17 Q What other information is shown on Exhibit 1?

18 A We have shown wells producing from the Fowler-Devonian
19 and Fowler-Upper Yeso oil pools that lie in upper close
20 proximity to subject well number 4. There are other
21 completions in the Fowler-Upper Yeso pool not shown in
22 the exhibit. They are in other sections. You will note
23 that Gulf is the only operator in the Fowler-Devonian
24 pool and Gulf's J. R. Holt well number three lies
25 approximately 1300 feet north of well number four and is

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1 producing from the Fowler-Devonian pool and Gulf also has
2 two additional wells in the S. J. Carr lease in Section
3 10 northeast of the Section 16 producing from the Fowler-
4 Devonian pool.

5 Q What is shown on Exhibit 2?

6 A Exhibit 2 is a proposed schematic drawing of the dual
7 hook-ups. The well hasn't been drilled yet, but we will
8 or are planning on setting three-eighths inch casing at
9 350 feet, nine and five-eighths casing at 4,000 feet and
10 then production of seven inch casing at the bottom at 700.
11 We will cement and isolate all water, oil and gas bearing
12 strata and other strata down on the casing point as per
13 state-wide rule 107. Upon completion of the well, we
14 will set a permanent type packer at 7500 feet and we will
15 have just a tubing anchor at fifty-four eighty for the
16 upper completion. We anticipate the upper completion
17 will require pumping and the lower completion should flow.

18 Q Is this proposed method of dual completion more or less
19 standard?

20 A Yes, it is.

21 Q Do you have a log of this well?

22 A No, I do not. It has previously been stated that the
23 well hasn't been drilled yet. However, both proposed
24 zones appear in the log of well number three and, of
25 course, are anticipated to appear commercially in well

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1 number four. Upon completion of well number four the
2 required electrical log will be filed along with the
3 proper forms for a multiple completion. We anticipate
4 drilling should commence in about two weeks.

5 Q Do you have measured bottom-hole pressure information?

6 A Well, again, the well hasn't been drilled so we don't
7 have measured bottom-hole pressure information from either
8 pool in this well bore. However, we have calculated
9 bottom-hole pressure of 2760 pounds for the Fowler-
10 Devonian pool taken from the production for Gulf's
11 S. J. Carr well number six. Then, the same calculated
12 bottom-hole pressure of 2450 pounds for the Fowler-Upper
13 Yeso pool and this was from well data from Gulf's S. J.
14 Carr well number eight and this should reflect a diffe-
15 rental of about 310 pounds across the packer.

16 Q Do you have any production test information?

17 A Again, since we haven't drilled the well there is no
18 production test information available. However, based
19 on other production data it is anticipated that the
20 Fowler-Devonian completion should potential for 100
21 barrels per day and the Fowler-Upper Yeso for approximately
22 60 barrels. Gravity of the Devonian completion should be
23 in the range of 43 degrees and gravity of the Upper Yeso
24 should be in the range of 38 degrees. The gas-oil ratio
25 of the Devonian completion should be in the range of 1500

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1 to 3000 and the Upper Yeso in the 1500 or less range and
2 as previously stated the Devonian should flow and the
3 other will require pumping.

4 Q Do you have drilling and completion cost figures concer-
5 ning the dual completion as compared to two single wells?

6 A The estimated drilling and completion cost for a single
7 zone Fowler-Devonian well is \$130,000 and \$105,000 for a
8 single Fowler-Upper Yeso well. The projected cost for
9 the proposed dual completion of well number 4 is 187,000,
10 therefore, an approximate savings of 48,000 can be
11 realized by dual completing well number four.

12 Q Do you have anything further to add in this case?

13 A No, sir.

14 Q Is this application in the interest of conservation and
15 the prevention of waste as well as protection of correla-
16 tive rights?

17 A Yes, it is.

18 Q Have you given offset operators notice of application?

19 A Yes, I have.

20 Q Were Exhibit 1 and 2 prepared by you or under your super-
21 vision?

22 A Yes, they were.

23 MR. KASTLER: This concludes our direct examination
24 and I would like to move that Exhibit 1 and 2 be entered at
25 this time.

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1 MR. NUTTER: Gulf's Exhibits 1 and 2 will be admitted
2 into evidence in case 4769.

3 Would you outline the cementing program that you
4 propose for this well?

5 THE WITNESS: For the 13 three-eighths, that will be
6 cemented to the surface. I don't have the cement data however
7 it will be brought up above any water bearing strata, fresh
8 water strata and of course the seven inch will bring the top
9 of the cement 500 above the uppermost perforation as per Rule
10 107.

11 MR. NUTTER: So your proposed Upper Yeso perforation
12 started about fifty-four eighty so you would bring the cement
13 up around 5,000 feet?

14 THE WITNESS: Yes, we will.

15 MR. NUTTER: Now, Mr. Bobo, when you complete the
16 well, would you obtain the bottom-hole pressure and actual
17 gravity and GOR's and submit them to us?

18 THE WITNESS: Yes, we could.

19 MR. NUTTER: If you will send them to my attention
20 and make reference to this case number in a letter please.

21 Mr. Bobo, does this means of completion afford an
22 opportunity for production of either zone on the pump by
23 artificial lift?

24 THE WITNESS: Yes. The one of them will require
25 pumping initially, if you notice on the sketch.

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1 MR. NUTTER: You could produce these without waste
2 by means of artificial lift?

3 THE WITNESS: Yes.

4 MR. NUTTER: Does this permanent type packer that you
5 propose at 7500, is it capable of withstanding that 300 ton
6 pound differential?

7 THE WITNESS: It will probably be a Becker model D.

8 MR. NUTTER: Are there any further questions for
9 Mr. Bobo?

10 He may be excused. Do you have anything further,
11 Mr. Kastler?

12 MR. KASTLER: Nothing further.

13 MR. NUTTER: Does anyone have anything they wish to
14 offer in case 4769?

15 We will take the case under advisement and call case
16 4770.

17 * * * * *

dearnley, meier & mc cormick

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25I N D E XWITNESSPAGE

MR. R. O. BOBO

Direct Examination by Mr. William Kastler

3

E X H I B I T SPAGEExhibit 1-
Plat

8

Exhibit 2 -
Drawing of dual hook-ups

8

dearnley, meier & mc cormick reporting service

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1 STATE OF NEW MEXICO)
 2 : ss.
 3 COUNTY OF BERNALILLO)

4 I, MARCIA J. HUGHES, Court Reporter, do hereby certify
 5 that the above and foregoing pages are a true and correct
 6 transcript of the proceedings had before the New Mexico Oil
 7 Conservation Commission on Wednesday, July 26, 1972.

Marcia J. Hughes

22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 24 the Executive Hearing of Case No. 4769
 25 opened by me on 7/26, 1972

John A. ...
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 8, 1972

Mr. Bill Kastler
Gulf Oil Corporation
Post Office Drawer 1150
Midland, Texas 79701

Re: Case No. 4769
Order No. R-4355
Applicant:
Gulf Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4769
Order No. R-4355

APPLICATION OF GULF OIL CORPORATION
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 26, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of August, 1972, the Commission, a quorum being present, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, seeks authority to complete its J. R. Holt (NCT-A) Well No. 4, to be located in Unit J, 1980 feet from the South line and 2080 feet from the East line of Section 16, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Fowler-Upper Yezo and Fowler-Devonian Pools through parallel strings of tubing with separation of zones by a packer set at approximately 7500 feet.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its J. R. Holt (NCT-A) Well No. 4, to be located in Unit J, 1980 feet from the South line and 2080 feet from the East line of Section 16, Township 24 South, Range 37

-2-

Case No. 4769
Order No. R-4355

East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Fowler-Upper Yezo and Fowler-Devonian Pools through parallel strings of tubing with separation of zones by a packer set at approximately 7500 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Fowler-Devonian Pool.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

(Case 4753 continued from page 1)

approval of an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NW/4 SW/4 and the SW/4 NW/4 of Section 29, Township 16 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the South line and 660 feet from the West line of said Section 29.

CASE 4769: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the dual completion (conventional) of its J. R. Holt (NCT-A) Well No. 4 to be located 1980 feet from the South line and 2080 feet from the East line of Section 16, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Fowler-Upper Yesso and Fowler-Devonian Pools through parallel strings of tubing.

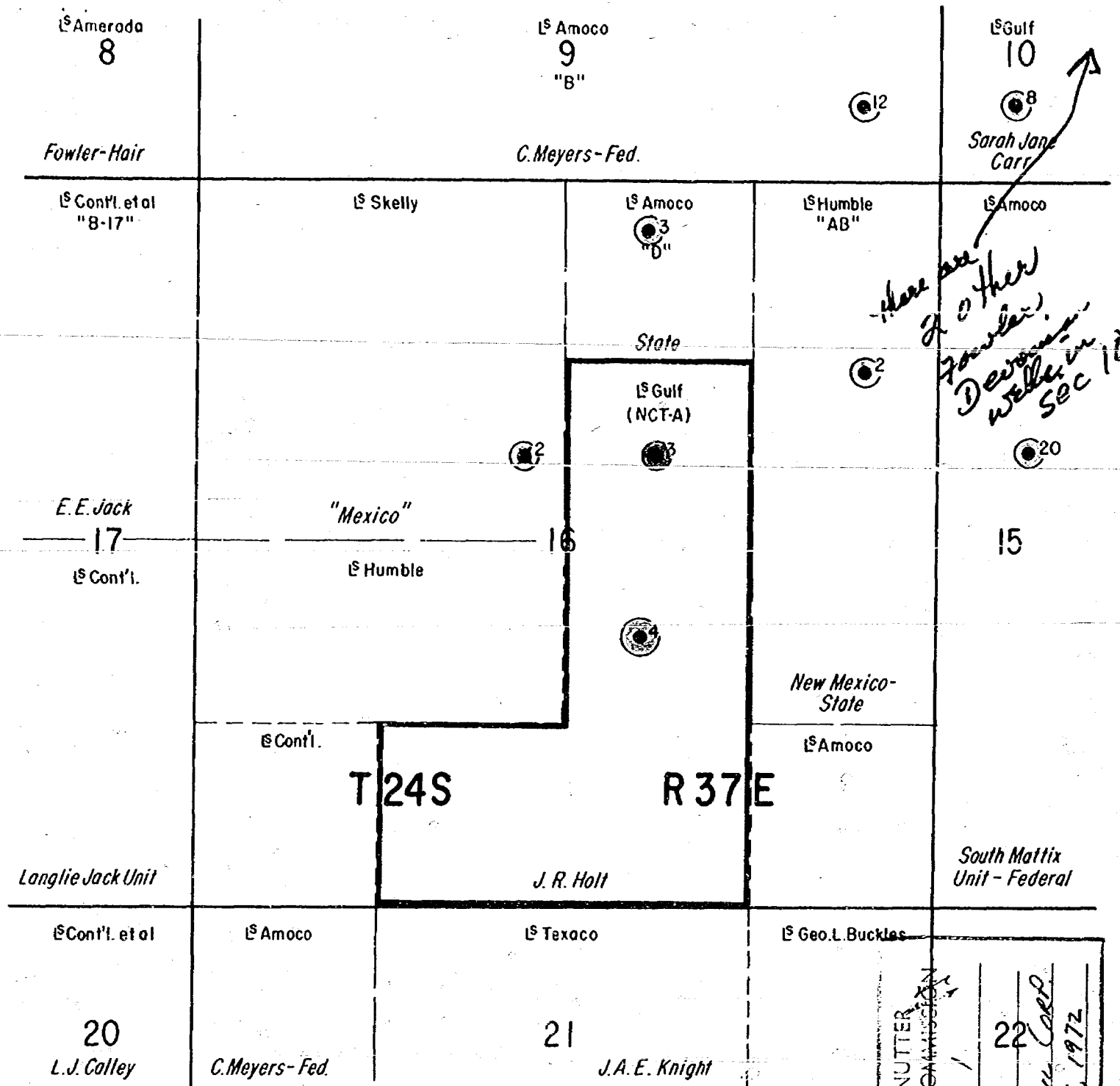
CASE 4770: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates and Seven Rivers formations in the open-hole interval from 3484 feet to 3514 feet in its Gorman Federal Well No. 1 located in Unit C of Section 35, Township 19 South, Range 33 East, East Gem Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 4774: Application of Amoco Production Company for a pressure maintenance project expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Cato Baskett Pressure Maintenance Project, Cato-San Andres Pool, Chaves County, New Mexico, by the conversion to water injection of four additional wells located in Township 8 South, Range 30 East, as follows:

Baskett "D" Well No. 3 - Unit O - Section 11
Baskett "B" Well No. 2 - Unit C - Section 11
Wasley Well No. 1 - Unit C - Section 14
Wasley Well No. 3 - Unit A - Section 14

Applicant further seeks a procedure whereby additional injection wells and expansion of the project area may be approved without the necessity of notice and hearing.

CASE 4775: Application of Continental Oil Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of the special rules and regulations governing the Blinebry Pool, Lea County, New Mexico, to provide for annual bottom-hole pressure, gas-oil ratio, and gas-liquid tests in the pool. Applicant further seeks the designation of oil areas and gas areas in the pool with allowables within each area equalized on a per-acre basis and total withdrawals from the gas area to be volumetrically equivalent to the total withdrawals from the oil area.



WELL No. 4
 J.R. HOLT (NCT-A) LEASE
 1980' FSL & 2080' FEL SEC. 16, T-24-S, R-37-E
 LEA COUNTY, NEW MEXICO
 DUAL COMPLETE IN FOWLER DEVONIAN & FOWLER UPPER YESO OIL POOLS

LEGEND

- PERTINENT LEASE
- PERTINENT WELL
- FOWLER DEVONIAN WELL
- FOWLER UPPER YESO WELL

PEOPLE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION

EXHIBIT NO. 1
 CASE NO. 4769
 Submitted by GULF OIL CORP.
 Hearing Date July 26, 1972

Exhibit No. 1
 Case No. 4769
 July 26, 1972

PROPOSED DUAL COMPLETION
 FOWLER UPPER YESO OIL POOL WITH FOWLER DEVONIAN OIL POOL
 J.R. HOLT (NCT-A) WELL No. 4
 1980' FSL & 2080' FEL SEC. 16, T-24-S, R-37-E
 LEA COUNTY, NEW MEXICO

*well has not
 been drilled yet*

*will
 circ. cont*

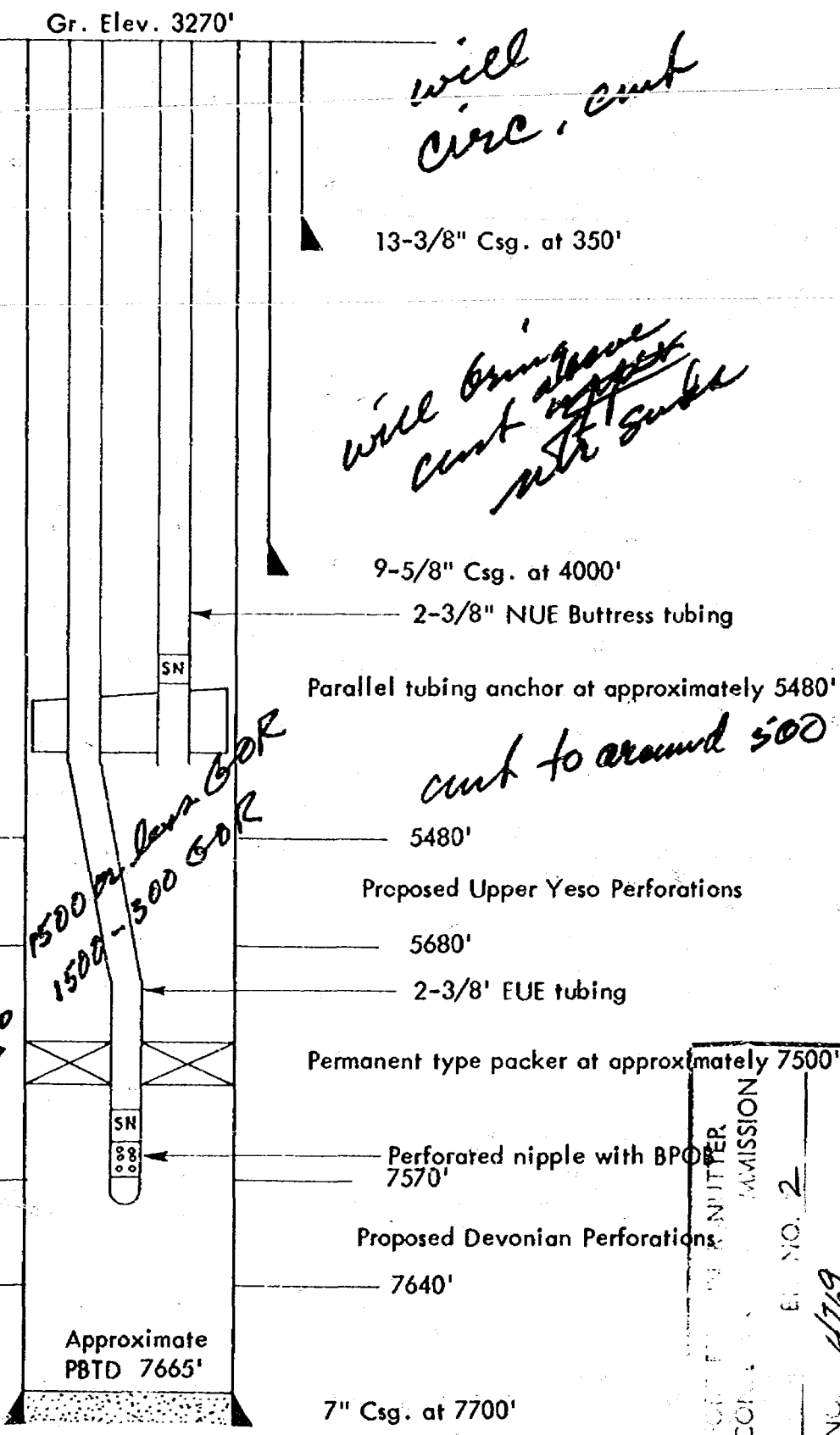
*will bring
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 into subs*

*calc
 2960 Dev BHP*

*calc
 2450 BHP
 upper yeso*

*310 psi
 differential*

*upper Dev
 yeso
 100 BOPD 43°
 60 BOPD 38°*



BOULEVARD	EX. NO. 2
OIL COMPANY	MISSION
CASE NO. 4769	
Submitted Gulf Oil Corp	
Hearing D. July 26, 1972	

Gulf Oil Company - U. S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER

J. A. Hord
DISTRICT EXPLORATION
MANAGER

J. L. Pike
DISTRICT PRODUCTION
MANAGER

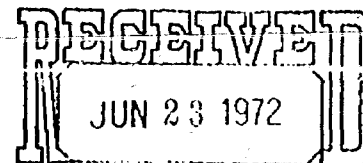
H. E. Braunig, Jr.
DISTRICT PRODUCTION
MANAGER

M. B. Moseley
DISTRICT SERVICE MANAGER

P. O. Drawer 1150
Midland, Texas 79701

June 22, 1972

Case 4769



OIL CONSERVATION COMM.
Santa Fe

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation
for the Dual Completion of J. R. Holt
(NCT-A) Well No. 4 in Fowler Devonian
and Fowler Upper Yeso Oil Pools
Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner Hearing for approval to dual complete their J. R. Holt (NCT-A) Well No. 4 in the Fowler Devonian and Fowler Upper Yeso oil pools. It would be appreciated if the hearing could be scheduled for the July 26th Docket.

In support of this application, the following information is offered:

- (1) Gulf Oil Corporation proposes to locate and drill J. R. Holt (NCT-A) Well No. 4, 1980 feet from the South Line and 2080 feet from the East Line of Section 16, T-24-S, R-37-E, Lea County, New Mexico. The well will be drilled to a total depth of 7700'. It is anticipated the well will penetrate the Fowler Devonian and Fowler Upper Yeso oil pools.
- (2) Seven (7") inch casing will be set through both pay intervals and cemented in accordance with New Mexico Oil Commission regulations.
- (3) The proposed dual well mechanical installation is shown on the attached diagrammatic sketch. This method of dual completing is mechanically feasible and practical.



A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

Date 7-14-72

New Mexico Oil
Conservation Commission

- 2 -

June 22, 1972

- (4) This application is in the interest of conservation.
- (5) The offset operators on the attached list are being notified by copy of this letter.

Yours very truly,

J. L. Pike
J. L. PIKE

ROB:jmc

Attachments

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

OFFSET OPERATORS

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

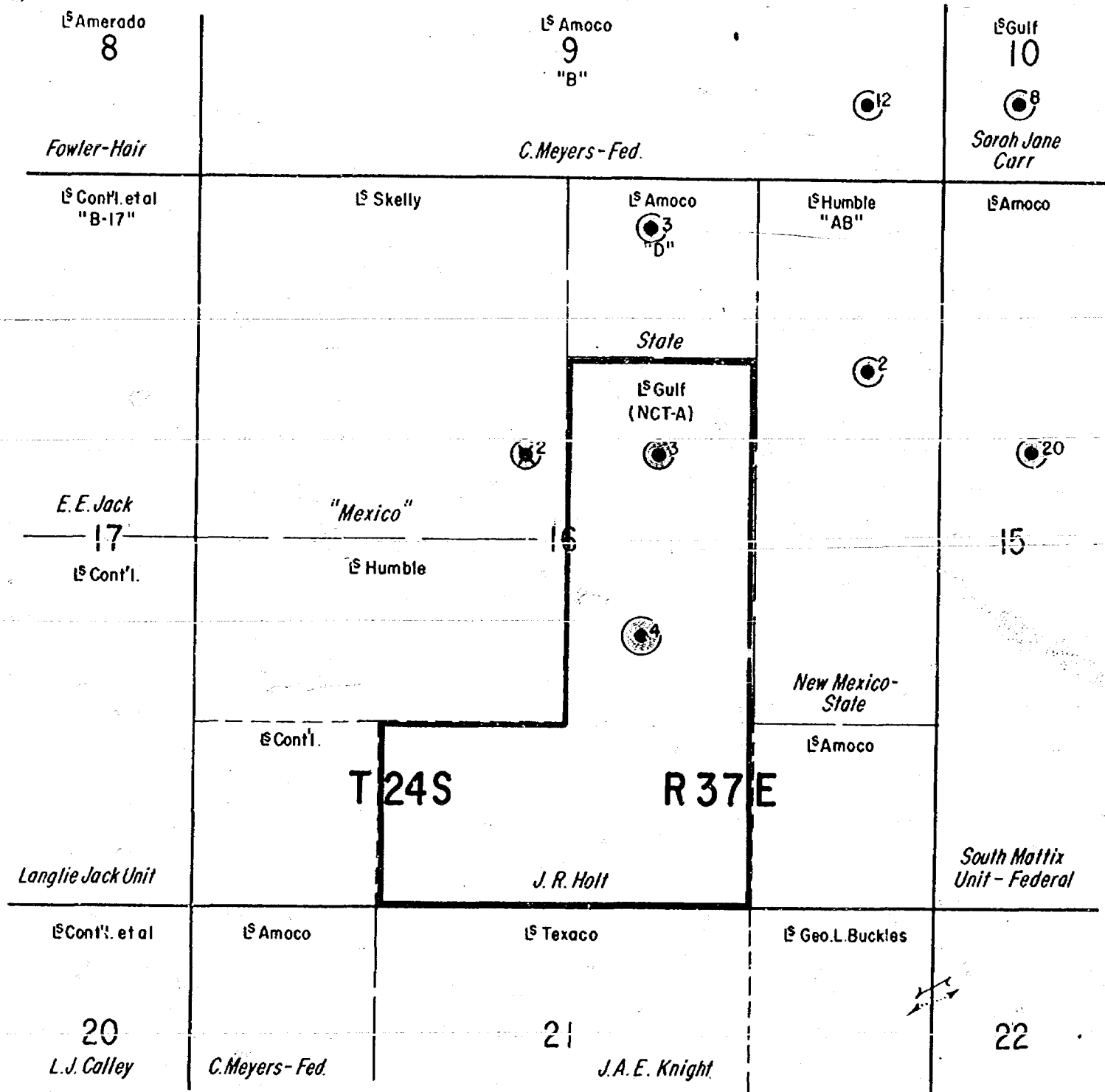
George L. Buckles Company
P. O. Box 145
Monahans, Texas 79756

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Humble Oil and Refining Company
P. O. Box 1600
Midland, Texas 79701

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico 88240



WELL No. 4
 J.R. HOLT (NCT-A) LEASE
 1980' FSL & 2080' FEL SEC. 16, T-24-S, R-37-E
 LEA COUNTY, NEW MEXICO
 DUAL COMPLETE IN FOWLER DEVONIAN & FOWLER UPPER YESO OIL POOLS

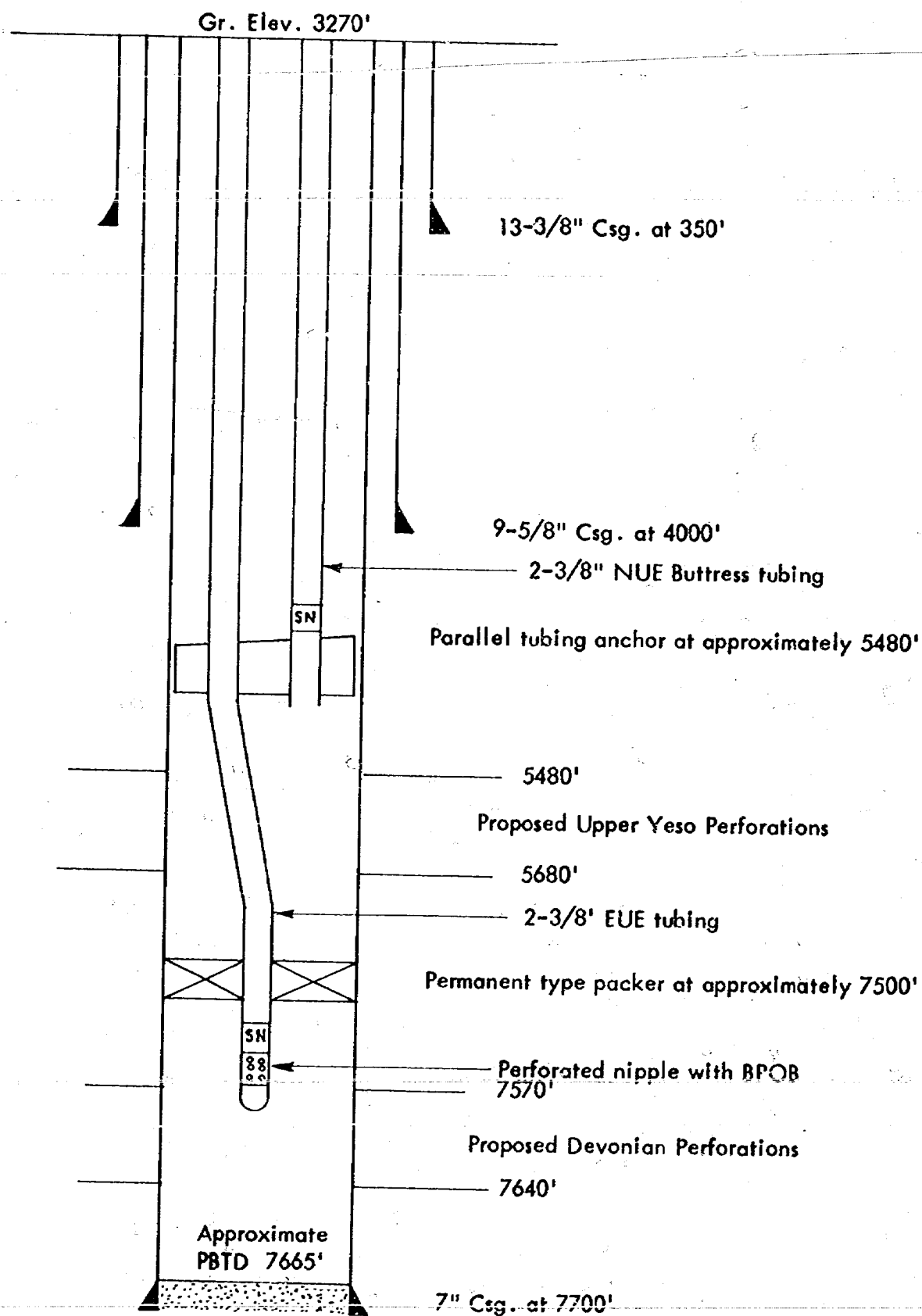
LEGEND

- PERTINENT LEASE
- PERTINENT WELL
- FOWLER DEVONIAN WELL
- FOWLER UPPER YESO WELL

Case 4769

Case 4769

PROPOSED DUAL COMPLETION
FOWLER UPPER YESO OIL POOL WITH FOWLER DEVONIAN OIL POOL
J.R. HOLT (NCT-A) WELL No. 4
1980' FSL & 2080' FEL SEC. 16, T-24-S, R-37-E
LEA COUNTY, NEW MEXICO



GMH/dr

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4769

Order No. R-4355

APPLICATION OF GULF OIL CORPORATION
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
July 26, 1962, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this day of May, 1972, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation,
seeks authority to complete its J. R. Holt (NCT-A)
to be
Well No. 4, /located in Unit J, 1980 feet from the South line and
of Section 16, Township

24 South, Range 37 East, NMPM, Lea County, New
Mexico. ~~West~~

(conventional) oil
Mexico, as a dual completion ~~x (combination) x~~ to produce ~~gas~~
~~x (tubingless) x~~
✓
Devonian
from the Fowler-Upper Yeso and Fowler- Pool through parallel
strings of tubing with separation zones by a
packer set at approximately 7500 feet.

2080 feet from the East line

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its J. R. Holt (NCT-A) to be Well No. 4, / located in Unit J / of Section 16, Township the East Line

24 ~~South~~ ^{North} Range 37 East ~~West~~ NMPM, Lea County, New

Mexico, as a dual completion ~~(conventional)~~ ~~oil~~ ~~combination~~ ~~tubingless~~ to produce ~~gas~~

from the Fowler-Upper Yezo and Fowler-Devonian Pools through parallel strings

of tubing

with separation zones by a packer set at approximately 7500 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take ~~zone-segregation~~ packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Fowler-Devonian Pool. Deliverability

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.