

SECRET

Case No.

1659

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5-6-59

CASE NO. 1569

HEARING DATE 5-6-59

My recommendations for an order in the above numbered case(s) are
as follows:

Grant ~~off~~ Tidewater Oil Co. request
issuing the usual Dual Completion
order.

Wm. A. Wolf

Staff Member

DOCKET: EXAMINER HEARING MAY 6, 1959

OIL CONSERVATION COMMISSION, MABRY HALL, STATE CAPITOL, 9 a.m., SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1651: Application of Continental Oil Company for an automatic custody transfer system and for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Hobbs Pool from three separate non-contiguous leases in Township 18 South, Range 38 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.
- CASE 1652: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 8, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Danciger A-8 Well No. 3 located 990 feet from the North and East lines of said Section 8.
- CASE 1653: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 28 and the NW/4 of Section 27, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Lynn A-28 Well No. 5 located 660 feet from the North and East lines of said Section 28.
- CASE 1654: Application of Shell Oil Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the West Henshaw-Grayburg Pool from three separate contiguous leases located in Township 16 South, Range 30 East, Eddy County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.
- CASE 1655: Application of Skelly Oil Company for permission to commingle the production from the Tubb Gas Pool and the Drinkard Oil Pool. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the liquids produced from the Tubb Gas Pool with the oil produced from the Drinkard Oil Pool underlying its State "K" Lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant proposes to meter the production from each pool prior to commingling.
- CASE 1656: Application of Skelly Oil Company for permission to commingle the production from five separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Ellenburger, McKee, Fusselman, Montoya, and Blinberry formations underlying its Hobbs "A" Lease comprising the NW/4 of Section 30, Township 25 South, Range 38 East, in the Justis Field, Lea County, New Mexico. Applicant proposes to separately meter the production from each pool prior to commingling.
- CASE 1657: Application of Standard Oil Company of Texas for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order authorizing its Vac-Edge Unit Area comprising 2078 acres, more or less, of state lands in Township 18 South, Range 35 East, Lea County, New Mexico.

CASE 1658: Application of The Texas Company for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its "BN" (NCT-1) Well No. 1 located 1980 feet from the South line and 660 feet from the West line of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the interval from 3529 feet to 7430 feet.

CASE 1659: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coates "C" Well No. 9 located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

CASE 1660: Application of Atlantic Refining Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system utilizing positive volume tanks with automatic dumping facilities to transfer custody of all oil produced on its Navajo Lease comprising certain acreage in Township 31 North, Range 16 West, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico.

CASE 1661: Application of Pan American Petroleum Corporation for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its W. H. Turner No. 1 located in the SE/4 SE/4 of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont producing interval adjacent to the Eumont Pool and the production of oil from the Drinkard Pool. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 1662: Application of Pan American Petroleum Corporation for permission to commingle the production from several separate leases and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Empire-Abo Pool from all or a portion of seven separate federal leases in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant further requests authority to produce more than sixteen wells into the common tank battery for said leases. Applicant proposes to separately meter production from each lease prior to commingling.

Hearing NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Justis Drinkard & Ellenburger		County Lea	Date 4-1-59
Operator Tidewater Oil Company		Lease A. B. Coates "C"	Well No. 9
Location of Well I	Unit 24	Township 25S	Range 37E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☐ NO ☒

2. If answer is yes, identify one such instance: Order No. **R-1305**; Operator, Lease, and Well No.:

~~Tidewater Oil Company A. B. Coates "C" No. 17~~

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Justis Drinkard	Justis Ellenburger
b. Top and Bottom of Pay Section (Perforations)	5910-5936	7950-8075
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flow	Flow

4. The following are attached. (Please mark YES or NO)

- Yes* a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes* b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No* c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 117-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Gulf Oil Corp., Box 2167, Hobbs, New Mexico

Amerada Petr. Corp., Box 312, Midland, Texas

Western Nat. Gas Co. 823 Midland Tower, Midland, Texas

The Texas Company, Box 1270, Midland, Texas

W. K. Byrom 817 N. Turner, Hobbs, New Mexico

Skelly Oil Co., Box 1650, Tulsa, Okla.

Atlantic Refining Co., Box 871, Midland, Texas

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification **4-2-59**

CERTIFICATE: I, the undersigned, state that I am the **Area Supt.** of the **Tidewater** **Oil** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

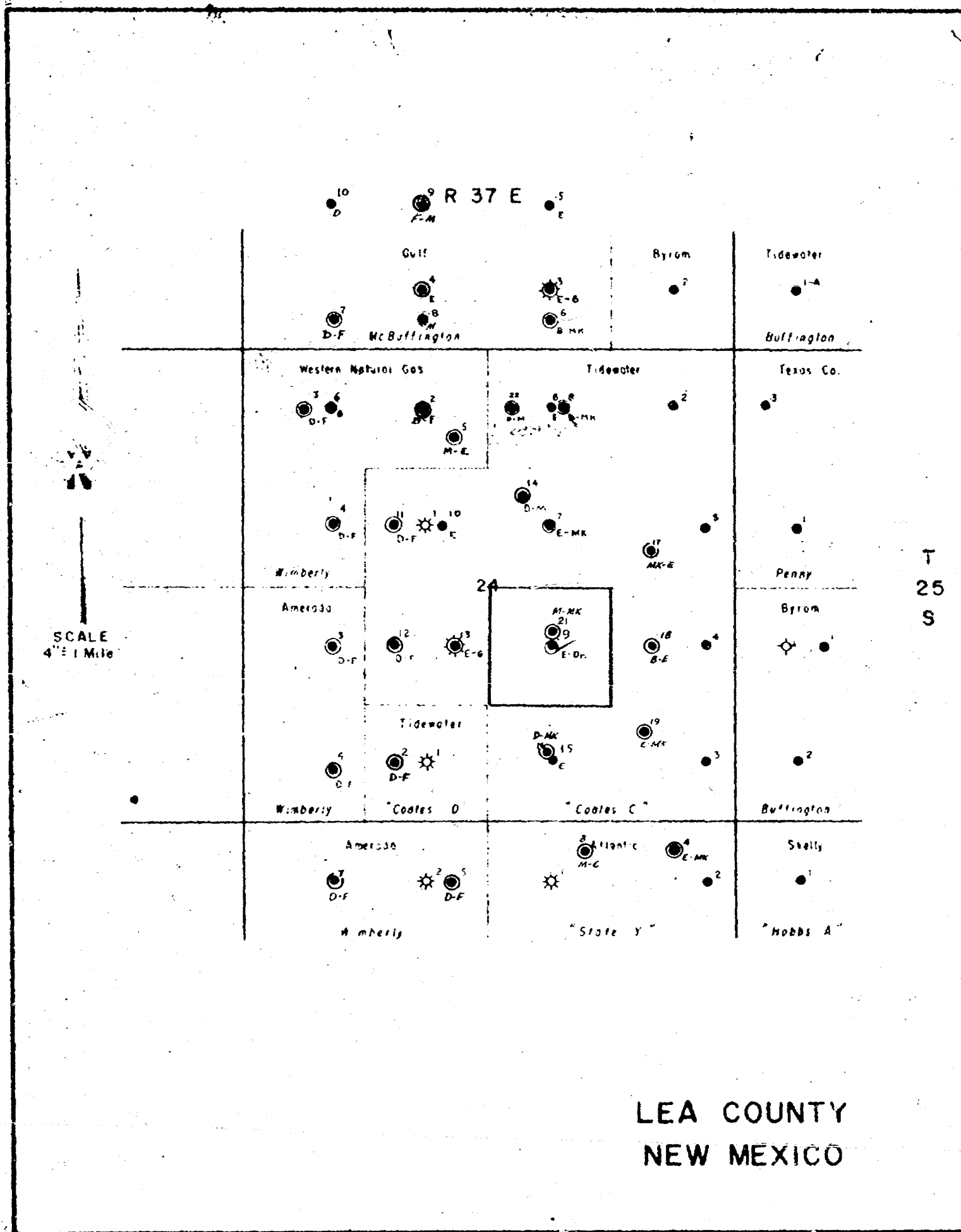
*Previously filed

[Signature]
Signature

* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Docket Mailed
4-22-59
B P
Docketed
May 5 '59



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. 1659
Order No. R-1396

APPLICATION OF TIDEWATER OIL
COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE JUSTIS-DRINKARD
POOL AND IN THE JUSTIS-ELLENBURGER
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico, before Elvis A. Uts, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uts, 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, Tidewater Oil Company, is the owner and operator of the A. B. Coates "C" Well No. 9, located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described A. B. Coates "C" Well No. 9 in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

Case No. 1659
Order No. R-1396

IT IS THEREFORE ORDERED:

That the applicant, Tidewater Oil Company, be and the same is hereby authorized to dually complete its A. B. Coates "C" Well No. 9, located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

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

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the annual gas-oil ratio test period for the Justis-Ellenburger Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

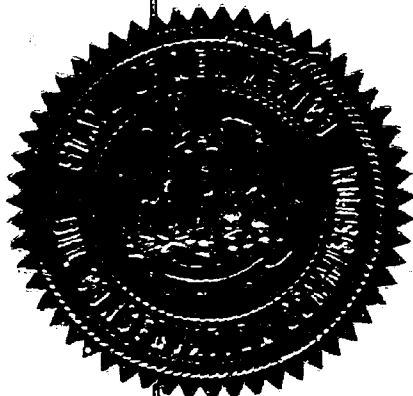
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



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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. 1659
Order No. R-1396

APPLICATION OF TIDEWATER OIL
COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE JUSTIS-DRINKARD
POOL AND IN THE JUSTIS-ELLENBURGER
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico, before Elvis A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uta, 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, Tidewater Oil Company, is the owner and operator of the A. B. Coates "C" Well No. 9, located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described A. B. Coates "C" Well No. 9 in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

Case No. 1659

Order No. R-1396

IT IS THEREFORE ORDERED:

That the applicant, Tidewater Oil Company, be and the same is hereby authorized to duly complete its A. B. Coates "C" Well No. 9, located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Driskard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

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

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the annual gas-oil ratio test period for the Justis-Ellenburger Pool.

IT IS FURTHER ORDERED; That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

SEAL

ven/

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

May 15, 1959

Mr. William Federici
Beth, Montgomery, Federici
& Andrews
P. O. Box 828
Santa Fe, New Mexico

Dear Mr. Federici:

On behalf of your client, Tidewater Oil Company, we
enclose two copies of Order No. E-1396 issued May 13,
1959, by the Oil Conservation Commission in Case No.
1689, which was heard on May 6, 1959 at Santa Fe before
an examiner.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

*copy sent
to Jason Kellaker*

C
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P
Y

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1659

TRANSCRIPT OF HEARING

MAY 6, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 6, 1959

IN THE MATTER OF:

CASE 1659 Application of Tidewater Oil Company for an :
oil-oil dual completion. Applicant, in the :
above-styled cause, seeks an order authoriz- :
ing the dual completion of its A.B.Coates :
"C" Well No. 9 located in the NW/4 SE/4 of :
Section 24, Township 25 South, Range 37 :
East, Lea County, New Mexico, in such a man- :
ner as to permit the production of oil from :
the Justis-Drinkard Pool and the production :
of oil from the Justis-Ellenburger Pool :
through parallel strings of 2-3/8 inch tub- :
ing. :

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: The hearing will come to order, please. The
next case on the docket will be Case 1659.

MR. PAYNE: Case 1659. Application of Tidewater Oil
Company for an oil-oil dual completion.

MR. FEDERICI: I am William Federici of Seth, Mont-
gomery, Federici & Andrews, Santa Fe, New Mexico, representing
Tidewater Oil Company in Case No. 1659, which is an applkation
for an oil-oil dual completion. There are no amendments or changes
to the application as filed. We have one witness and two Exhibits.
This is Mr. R. N. Miller.

(Witness sworn)

MR. UTZ: Are there other appearances to be made in this case? If not, you may proceed, Mr. Federici.

ROBERT N. MILLER,
called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. FEDERICI:

Q Will you state your name, please?

A Robert N. Miller.

Q And what is your position with Tidewater?

A Area petroleum engineer in Hobbs, New Mexico.

Q How long have you been with Tidewater?

A Nine years.

Q Have you appeared as a witness before this Commission?

A Yes, sir, I have.

Q On several occasions?

A Yes.

MR. FEDERICI: Are the witness' qualifications satisfactory?

MR. UTZ: Yes, sir, they are.

Q Are you familiar with the application in Case No.

1659?

A Yes, sir, I am.

Q And are you familiar with the area involved in the

application and the well and the drilling and production?

A Yes, sir.

Q Do you have some Exhibits?

A Yes, we have two Exhibits, one of the lease and --

Q Will you explain -- excuse me -- you want to mark those first?

MR. UTZ: Go right ahead.

Q Will you explain to the Examiner the purpose of the application and the proposed dual completion?

A The purpose of the application is to effect a dual in Tidewater's A. B. Coates "C" Well No. 9 in the Drinkard and Ellenburger pays and the Justis-Multi Pools area.

The application asked for permission to dually complete the wells using two parallel strings of 2-3/8 inch tubing. Would you like those Exhibits to be explained at this time?

Q Explain the Exhibits, yes.

A Exhibit No. 1 shows the location of Tidewater's A. B. Coates "C" lease in Section 24, Township 25 South, Range 37 East, in Lea County, the other leases within that Section and the offset operators. A square marked in red in the NW/4 of the SE/4 of Section 24 shows the 40 acres proposed to be dedicated to Tidewater's A. B. Coates "C" Well No. 9.

Q Exhibit --

A Exhibit 2 is a diagrammatic sketch of the dual completion. The well was spudded on November the 5th, 1957, and

drilled to a total depth of 8,075 feet. Drilling was completed on December 31 of '57 in the Ellenburger. It was 13 and three-eighths inch casing set at 536 feet, and cemented to the surface; 9 and five-eighths inch casing set at 3,363 and cemented to the surface; 7 inch casing set at 7,950, cemented back to 5,630. The well was completed from open hole section 7950 to 8,075 in the Ellenburger with initial potential test of 423 barrels of 43 gravity oil, no water, in six hours on a half inch choke with a gas-oil ratio of 1090 to 1. The well was then recompleted as a dual last month by perforating the Drinkard zone from 5910 to 5936, the two zones being isolated by a Baker Model D production packer set at 7697. The Drinkard tubing string is 2 and three-eighths, set in a Baker parallel tubing anchor at 6,001 feet. The natural production test of the Drinkard zone was 215 barrels with 36 degree gravity oil, no water, in twenty-four hours on a quarter inch choke with a gas-oil ratio of 650 to 1. The Ellenburger tubing is set at 8,037 feet, and the zone was not repotentialized after workover. The type packer used in this installation can effectively withstand differential in bottom hole pressure encountered, the Ellenburger being 3113 PSI, and the Drinkard being 2482 PSI, a differential of 641 pounds per square inch.

Q In your opinion, is the proposed dual completion installation in accordance with good engineering practices and principles?

A Yes, sir, it is.

Q And, in your opinion, is this a standard type dual completion used in the area in question?

A Yes, sir, it is.

Q Has this type of dual completion or dual operation proved successful in the field?

A Yes, sir. There have been a number of wells completed in the area in like manner.

Q Is the dual technique requested requested in the application recognized and accepted in general by the oil industry and other State regulatory agencies?

A Yes, sir.

Q Does this method which you request for dual completion possess any more possibility for leakage, communication or migration of the reservoir than any other accepted method?

A No, sir.

Q I think you have already stated this, but under the proposed method of dual completion, is it possible to make bottom hole pressures on each separate zone?

A Yes, sir, it is.

Q Will the proposed dual oil-oil completion promote conservation of oil and gas?

A Yes, sir, it will, and also prevent economic waste by saving in the neighborhood of sixty thousand dollars, preventing a second well.

Q And protect correlative rights?

A Yes, sir.

Q Exhibits Nos. 1 and 2, were they prepared under your supervision?

A Yes, sir, they were.

MR. KELLAHIN: We offer Exhibits 1 and 2 in evidence.

MR. UTZ: Without objection, Exhibits 1 and 2 will be accepted into the record.

(Whereupon, Tidewater's Exhibits 1 and 2 were received in evidence).

MR. FEDERICI: I believe that's all.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Miller, I believe you stated the gravities of the two zones, but I missed it.

A Yes, sir. The Ellenburger is 43 degrees API, 60. The Drinkard is 36 degrees API at 60.

Q What type of crude are these two --

A The Drinkard is sour crude, the Ellenburger is sweet, or intermediate crude.

Q Are both zones flowing?

A Yes, sir, they are.

MR. UTZ: Are there any other questions of the witness?

QUESTIONS BY MR. PAYNE:

Q Is this dual within the pool boundaries, both the

Justice and the Drinker?

A Yes, sir, it is.

MR. PAYNE: That's all.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

(Witness excused)

MR. UTZ: Any other statements to be made in this case? If there are none, the case will be taken under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 11th day of May, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
NOTARY PUBLIC

My Commission Expires:
October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1659, heard by me on May 19, 1959.
Stanley W. [Signature] Examiner
New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

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. 1659
Order No. R-1396

APPLICATION OF TIDEWATER OIL
COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE JUSTIS-DRINKARD
POOL AND IN THE JUSTIS-ELLENBURGER
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this _____ day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Tidewater Oil Company, is the owner and operator of the A. B. Coates "C" Well No. 9, located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described A. B. Coates "C" Well No. 9 in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (5) That approval of the subject application will ~~not~~ ^{neither} cause waste ~~or~~ ^{nor} impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Tidewater Oil Company, be and the same is hereby authorized to dually complete its A. B. Coates "C" Well No. 9, located in the

Case No. 1659

Order No. R-_____

NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

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

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the annual gas-oil ^{ratio} test period for the Justis-~~Drinkard~~ ^{Ellenburger} Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION